



Buying Inertia: Preempting Social Disorder With Selective Welfare Provision in Urban China

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Buying Inertia: Preempting Social Disorder with Selective Welfare Provision in Urban China

A dissertation presented by

Jennifer Jie Pan

to

the Department of Government

in partial fulfillment of the requirements
for the degree of
Doctor of Philosophy
in the subject of Political Science

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**Buying Inertia:
Preempting Social Disorder with Selective Welfare Provision in Urban China**

Abstract

A considerable number of welfare programs and social policies are adopted by authoritarian regimes, but we know relatively little about what shapes the pattern of redistribution in the absence of electoral competition. This dissertation demonstrates that in authoritarian regimes like China, selective welfare provision is used to preempt disruptions to social order when the regime can obtain information about the private preferences of individuals. For China's Minimum Livelihood Guarantee (Dibao) program, threats of collective action cause governments to be more responsive to applicants for Dibao, individuals who have greater potential to disrupt social order are more likely to be recipients of benefits, and benefits are distributed before time periods when disruptions are expected to occur and in localities where the threat of disruptions is a greater concern. Contrary to previous understandings, information enables welfare benefits to be targeted at specific individuals, and provision is shaped by a fear of social disorder, even when disorder does not pose a direct threat to the survival of the regime.

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Chapter 1

Preempting Social Disorder

In Qingdao, a city along China's eastern seaboard, the Wang family lives in the neighborhood of Golden Beach Road.¹ Mrs. Wang and her husband are street vendors, selling mops, wash basins, and a random assortment of cooking utensils not far from their home. Mr. Wang was recently injured, and as her nine year old son heads back to school in the fall, Mrs. Wang fears that she will not be able to make ends meet. She approaches her residents' committee (居委会), a group of administrators who facilitate government programs for the neighborhood, to apply for China's Minimum Livelihood Guarantee (最低生活保障), a welfare program commonly referred to as Dibao (低保) that provides cash transfers to provide a basic standard of living for impoverished households. After of hearing her situation, the residents' committee deemed her ineligible, telling Mrs. Wang that she need not apply because she can obtain additional income by finding another job or asking extended family members for help. According to the Golden Beach Road residents' committee, Dibao recipients in the neighborhood are elderly and severely disabled, people who have no ability to engage in labor, no extended family who can help, and no access to any outside

¹All names and some personal details have been altered to protect individual privacy. Neighborhood, sometimes translated as community, refers to 社区, the urban equivalent of rural villages.

sources of income.

A ten minute walk away, in the neighborhood of Lagoon Garden, Mr. Li recently qualified for Dibao, and finds his monthly cash transfer of several hundred yuan very helpful in making ends meet for his wife and teenage son. Mr. Li is in his 40s, he is in good health, and he is not working. According to the Lagoon Garden residents' committee, the residents' committee proactively helped Mr. Li obtain Dibao, and although Dibao recipients in the neighborhood include the elderly and infirm, they also include laid-off and unemployed workers in good health.

The Wang family and the Li family both face severe financial difficulties, so why was one proactively given Dibao while the other was told not to apply? More broadly, why is it only the old and infirm receive welfare in Golden Beach Road, while those who are able-bodied can receive welfare in Lagoon Garden?

Economic or demographic differences are obvious explanations for this difference, but both neighborhoods are old communities in Qingdao with similar types of residents and similar distributions of income. The poorest households in the two neighborhoods are similar financially and demographically, and even if they were not, the Dibao policy delineates an absolute level of income below which households are eligible such that all households below the income threshold (the Dibao line) should, in theory, be eligible for the program. Another potential explanation relates to the financial capacity of these two neighborhoods; however, the finances of the residents' committee does not affect Dibao provision because funding for the program comes from upper levels of government. A final explanation of this variation is malfeasance, that one of the neighborhoods is distributing welfare as a favor to certain households. This interpretation is also unlikely because households receiving Dibao in both neighborhoods seem to be facing real financial difficulties and because there have been intensive efforts to crack down on corruption within the Dibao program in recent years. Residents' committees have become exceptionally cautious in distributing benefits,

so it is perhaps not surprising that Dibao recipients in Golden Beach Road are those in extreme poverty, with no means of subsistence without state assistance. Then what makes Lagoon Garden different?

The explanation for this difference lies in the recognition that in certain neighborhoods like Lagoon Garden, welfare is selectively targeted to residents not only for their dire economic circumstances but for the threat they pose to social order, that welfare provision is a means of incentivizing inaction or buying inertia to preempt disruption. However, this *selective welfare provision* does not occur in all neighborhoods, but in the subset of neighborhoods where the regime can obtain private information about the preferences and inclinations of residents.

In the case of the Li family, Mr. Li was recently released from prison, and threatened to petition and protest in front of government offices for an injury obtained during his incarceration. The Lagoon Garden residents' committee heard about his threats from their network of informants known as block captains (门楼长), neighborhood residents comprised mostly of older women, who gather information about their neighbors: which household has an unplanned pregnancy, which household is suffering from illness, which household is unhappy, and report this information to the residents' committee on a regular basis. After learning of Mr. Li's threats, the residents' committee director and an officer from the local public security office visited his home repeatedly to understand his grievances. The residents' committee immediately helped Mr. Li obtain Dibao to "stabilize his mental state" (让他的思想情绪稳定下来) so that Mr. Li would not protest, petition, or engage in other actions deemed to be disruptive.

In contrast, while block captains also exist in Golden Beach Road, these block captains are generally unfamiliar with the circumstances of their neighbors and meet very infrequently with the residents' committee. Without information on who might threaten social order, Golden Beach Road cannot target welfare benefits to preempt disruption, and instead distribute benefits to the

most needy households in the neighborhood to minimize contention over the fairness of distribution.

This dissertation demonstrates how a regime's access to information allows it to engage in selective welfare provision in order to preempt disruptions to social order, such as protest and collective action. Specifically, county governments are 30% more responsive to Dibao applicants who threaten to engage in collective action than those who simply describe their economic hardship; neighborhoods with the capacity to extract private information are three times more likely to give Dibao to residents who have the potential to disrupt social order than neighborhoods without this information extraction capacity. Benefits on top of monthly cash transfers are distributed before time periods when disruptions are believed to be more likely and in localities where the threat of disruptions is perceived to be greater. Together these findings reveal how information and welfare allow the regime to buy inertia among its subjects.

This dissertation alters previous understandings of the motivation behind redistribution under authoritarianism as well as our understandings of the pattern of redistribution. Prior scholarship assumes that redistribution under authoritarian regimes is directly motivated by threats of regime survival, but this dissertation shows that redistribution is also motivated by fear of small-scale social disruptions, which are not intended to challenge the rule of the Chinese Communist Party (CCP) and which are extremely unlikely to directly threaten the durability of the regime. In previous descriptions of the pattern of redistribution in authoritarian regimes, redistribution is often described as a response to protest and one that can be broadly targeted at regions, such as cities, more prone to protest. This dissertation shows that redistribution can also be an effort to preempt protest, and that it can be very precisely targeted when the regime has access to individual-level information. Only by altering our assumptions about the motivation for redistribution and examining information capabilities can we explain why the characteristics of Dibao recipients in nearby

neighborhoods like Golden Beach Road and Lagoon Garden are so different.

1.1 Studying Welfare

Welfare provision is of particular interest to social scientists because it is composed of visible programs that reveal political choices. Social policies are by design visible and public, but their designs and outcomes emerge from political calculation and competition. By studying welfare provision, social scientists have learned a great deal about the effects of electoral institutions (Cutright 1965; Flora and Alber 1981; Iversen and Soskice 2006; Myles 1989), of class coalitions (Cook and Orenstein 1999; Esping-Andersen 1985; Huber and Stephens 2001; Kamerman and Kahn 1978; Korpi 1978, 1980, 1983, 2003; van Kersbergen and Manow 2008; Rueschemeyer and Wolchik 1999; Ruggie 1984; Stephens 1979), of globalization (Garrett and Lange 1991; Wilensky 2002), and of economic development trajectories (Cameron 1978; Garrett 1998; Hall and Soskice 2001; Katzenstein 1985; Rodrik 1999; Stephens 1979) in shaping political outcomes. However, the vast majority of welfare research has been focused on consolidated democracies with high levels of economic development.

Practically speaking, welfare programs and social policies have tangible implications for how individuals live and for the structure of social life. Differences in welfare provision between countries and even between subnational units engender differences in income inequality, levels of unemployment, the labor force participation of women and children, and these structural characteristics can have downstream effects on educational attainment, patterns of criminal behavior, and even mortality.

These practical implications are especially salient in China, where several decades of economic opening and reform have generated vast economic inequalities (Gustafsson, Shi and Sicular 2008; Khan and Riskin 2001; Li et al. 2007; Shue and Wong 2007; Sicular et al. 2010). With

decollectivization and reform of state-owned enterprises starting in the 1980s, programs for social assistance disappeared as collectives and work units no longer existed to pool, manage, and distribute funds (Frazier 2004, 2010; Hurst 2009; Hurst and O'Brien 2002). For example, rural health insurance, which at its peak reached 85% of the rural population, only survived in 5% of brigades by 1985, transforming China's health care system from one that was wholly state-controlled one of the most market-oriented health systems in the world (Shao 1988; Wagstaff et al. 2009; Wang 2004). By the mid 1990s, increasingly large gaps emerged between coastal and inland areas, between urban centers and rural areas; even in urban China, poverty was on the upswing (Shue and Wong 2007; Wong 1998). In 1996, the UN estimated that 65 million people were living below the poverty line (530 RMB per year in 1996 prices), and the State Council Development Research Center, using a more stringent definition of absolute poverty, estimated that over 30 million people were living below the poverty line (World Bank 1996; Zhang 1997).

In response to growing inequality, a plethora of new social policies began appearing in the late 1990s and early 2000s, making China an ideal setting for examining the politics of welfare provision, and for contributing to our understanding of social policies under authoritarian regimes (Leung 2006; Li 2014; Lin, Liu and Chen 2009; Liu 2009). This dissertation focuses on China's Minimum Livelihood Guarantee program or Dibao, a means-tested, non-conditional cash transfer program targeted at households, which is China's largest social assistance program.

1.2 Selective Welfare Provision

Selective welfare provision refers to the selective distribution of benefits under the aegis of a social policy scheme in order to preempt social disruption. Selective welfare provision cannot be divorced from this goal of preempting social disorder, of preventing individuals from taking actions that

disrupt social order.² Provision is selective in two ways. First, it is selective because only specific types of individuals are targeted. At the time when benefits are to be distributed (t_0), there are three potential groups of individuals who have different attitudes and behaviors toward the power holder—the person or group in power.³ The first group are “well-behaved” individuals, who are supportive or indifferent to the power holder, who have not taken any actions that the power holder deems undesirable in the previous time period (t_{-1}) and who do not plan to take any actions that the power holder deems undesirable in the next time periods (t_1).⁴ The second group are “ill-behaved” individuals who have engaged in actions that the power holder deems undesirable in the period prior to benefit distribution (t_{-1}). The third group are “potential disrupters,” who may engage in actions that the power holder deems undesirable in the next period (t_1). Since selective welfare provision is aimed at *preempting* social disruption, it occurs when benefits are distributed to this third group of individuals who may engage in disruptive actions in the future. It is important to note that potential disrupters are those who may engage in disruption in the period immediately following benefit distribution, and the ill-behaved are those who engaged in disruption in the period immediately prior to benefit distribution. Provision is also selective in terms of the timing of benefits. If disruption may occur in t_1 , benefits are distributed in t_0 before disruptions are expected to take place, not t_2 after disruptions have already occurred.

Another feature of selective welfare provision is that redistribution occurs within a public social policy scheme. This form of redistribution is distinct from ad hoc, informal, or extralegal disbursement of material benefits, and with it comes limitations on the boundaries of provision. Some social

²In this dissertation, the terms social disorder and social disruption are used interchangeably. Social order denotes the absence of disorder and disruption, and social order is used interchangeably with social stability, a term often used by the CCP to denote the absence of various forms of disorder and disruption (for additional discussion of the meaning of stability see Chapter 2).

³In an authoritarian regime, the power holder could be a dictator, a monarch, or a ruling party. In a democratic regime, the power holder is the party currently in power.

⁴Note that the well-behaved could include those who are supportive of the regime as well as those who are disengaged from social and political actions.

programs have precisely operationalized rules for eligibility that leave little room for discretion. Many programs, however, have complicated tests of deservedness that have to be applied to each applicant, leaving room for discretion (Kitschelt 2011; Mkandawire and for Social Development 2005; Sen 1992; Titmuss 2000; Van de Walle and Nead 1995). Illustrated by examples such as Argentina's Plan Jefes y Jefas de Hogar Desocupados, Mexico's Program for Rural Development Investments, Peru's FONCODES, discretion creates opportunities for administrators to engage in personalistic clientelism and corruption, as well as opportunities for politicians and political parties to engage in more impersonal forms of clientelism, like vote buying or turnout buying (Fox 1994; Galasso and Ravallion 2004; Schady 2000). This discretion also facilitates selective welfare provision, which as discussed in Section 1.3.3, bears many similarities to the machine politics of buying voters but differs because incentives are distributed to promote inaction and because the exchange is more effective when it is inconspicuous. As a result, blatant violations of the rules of social program are less likely with selective welfare provision. Let us say that there is a national means-tested program to provide social assistance for low income families, and selective provision occurs as part of this program. If an extremely wealthy family threatens social order, it is extremely unlikely that benefits from this program would be targeted at them. Benefits are more likely to be selectively targeted at households with low income, which pose a threat to social order.

Targeting benefits to potential disrupters before they can engage in undesirable activities is not possible without information about private preferences and inclinations. It is easy to identify the ill-behaved because they have already taken action. It is very difficult to identify potential disrupters because they have yet to act. Throughout history and across regime types, states have invested in information extraction and surveillance capabilities in part to identify potential threats and disruptions originating from their subjects. Large scale surveillance conducted by the U.S. National Security Agency shows that democracies also engage in the collection of private, individual-level

information, but authoritarian regimes face a particular imperative to gather private information because the private preferences and publicly expressed preferences of its subjects often differ (Kuran 1991). In other words, authoritarian regimes face a problem of insincerity, in particular, of insincere supporters, that is compounded by regimes' use of repression and information control. Unlike democracies where individuals critical of the regime do, for the most part, freely express their views, individuals fearful of repression and punishment in authoritarian regimes hide their true preferences. Whether it is the KGB in the Soviet Union (Dimitrov 2014a), the Stasi in East Germany, or the Information-Sociological Center in Communist Bulgaria (Dimitrov 2014b), authoritarian regimes have a long history of investing tremendous resources into order to gather information about the true preferences of citizens, and in particular to root out insincere supporters of the regime.

When selective welfare provision is easily observable, it can create incentives for more people to threaten disruption. Unlike distributing rewards so that individuals will take an action that is desirable, like voting or turning out at a rally, where the visibility of the exchange can increase the number of people taking the action that is being encouraged, visibility is problematic when rewards are given so that individuals do not take an action that is undesirable, like protesting. If this exchange is visible, others may threaten to engage in these undesirable actions in order to obtain benefits. Thus, selective welfare provision is more likely to achieve the goal of preemptive social disorder when it is concealed.

Several characteristics of selective welfare provision help to obscure the instrumental exchange of material benefits for inaction. First, the distinction between the ill-behaved (who behaved badly in the period immediately prior to benefit distribution) and potential disrupters (who may behave badly sometime in the next period) plays a role. If benefits are distributed to those who just engaged in disruption, it is very easy to observe that rewards are a means of pacifying bad behavior. When

benefits are distributed to those who may engage in disruption in the future, it is more difficult to observe the exchange of reward for compliance. Second, information plays a role in obscuring the instrumental function of selective welfare provision when the power holder can extract detailed information about individuals that is not common knowledge so that recipients and observers of the exchange are at an information disadvantage. If the precise economic circumstances of individuals were known to all, it would be easier to compare the situations of individuals who do and do not receive benefits. Finally, the form of selective welfare provision—redistribution occurring within a public social policy scheme—helps hide the strategic intent of benefits because social programs with complex rules for eligibility make provision decisions difficult to parse out. If the rules of eligibility for a social policy were known to all, it would be much easier to determine when rules were being violated, including violations where *de jure* rules of the program were selectively applied.

To illustrate these factors, suppose there is a community of 100 households and a means tested social policy scheme. In this community, 40 households are impoverished and eligible for the policy, and among these 40 poor households, five households are extremely impoverished (e.g., the elderly and infirm who have no possible sources of income), and among the remaining 35 households that are poor but not absolutely destitute, four households have recently engaged in disruption and six households may protest in the near future. Assuming that economic circumstances of every household were known to all, and the eligibility rules of the social policy were understood by all, if benefits were only given to the five extremely impoverished households, there would likely be minimal contention. This is the situation described in the Golden Beach Road neighborhood. With the same assumptions, if benefits were given to the five extremely impoverished households and the six potentially disruptive households, it would be possible to see that certain households are receiving benefits because they threaten social order. It would then be difficult to persuade other

households that selective welfare provision is not taking place, resulting in the perverse incentive that previously well-behaved households could threaten social disruption in order to obtain benefits. When economic circumstances and eligibility rules are known to the power holder but not to households, households are at an information disadvantage and are more easily persuaded that selective welfare provision is not taking place.⁵ This is the situation described in Lagoon Garden. However, even if households were at an information disadvantage, if benefits were given to the five extremely impoverished households and to the four households after they had recently engaged in disruption, it would still be difficult to persuade observers that benefits are not being used as a reward for disruptive behavior, generating incentives not just to threaten disruption but to engage in disruption in order to obtain benefits.

To sum up, this dissertation identifies the empirical phenomenon of selective welfare provision—the selective distribution of benefits within a public social policy scheme to individuals who have the potential to disrupt social order in an attempt to preempt disruption. Access to information and complex rules of eligibility help the power holder to identify and target benefits to potential disrupters while improving the likelihood of persuading observers of this exchange that the trade is not a reward for threatening social disorder; in other words, of improving the likelihood of concealing the instrumental function of selective welfare provision. However, this deception is unlikely to be foolproof. Even with access to information and a complex social program, the action of distributing benefits and assigning eligibility is publicly observable, and could reveal information to observers.

⁵This dynamic is similar to game theory models of cheap-talk persuasion (Crawford and Sobel 1982), where if the receiver (subject) has an information disadvantage, the sender (power holder) can always to a some extent engaged in effective persuasion. In an extreme case when the receiver knows all of the information, deception can never be effective.

1.3 Welfare and Authoritarian Politics

Esping-Andersen (1990) noted that the first major welfare state initiatives—in Bismarck Germany, von Taffe’s Austria, and in France under Napoleon III—occurred prior to democracy. In Africa, Asia, Eastern Europe, the Middle East, and Latin America, the majority of social policies—from old age support to unemployment assistance—were adopted under autocratic rule (Mares and Carnes 2009). Given the prevalence of social policy development under authoritarian regimes, what motivates these regimes to provide welfare? What are the characteristics of redistribution under authoritarianism? How does authoritarian welfare provision compare to other types of redistribution in nondemocratic and transitional systems? This section discusses how selective welfare provision changes our previous understandings of these questions.

1.3.1 Disruption not Revolutionary Threat

Prevailing explanations firmly connect welfare provision by authoritarian regimes to their desire to suppress or counter threats to regime survival (Haber 2007; Tullock 1987; Wintrobe 1998). According to this view, since threats to authoritarian survival can come from either elite coups or revolution by the masses, redistributive efforts either narrowly target a small group of elites with extremely generous benefits or provide broad and uneven benefits to different societal groups, resulting in a chaotic mix of benefits. Taiwan under Chiang Kai-shek is cited as an example of the first type, where the Labor Insurance program of 1950 provided employment related benefits to a small proportion of the population (Kwon 2003; Chang and Tsai 1985). There are numerous examples of the second type of welfare provision including the social policies of Argentina’s military junta in the mid 1900s (Carnes 2014), social security entitlements and pensions under Brazil’s military regime (Haggard and Kaufman 2008), as well as the gradual but uneven expansion of Mexico’s Instituto Mexicano de Seguro Social (Haber 2007; Skidmore, Smith and Green 1992).

What is puzzling about this characterization is the large number of social policies aimed at individuals at the lowest echelons of society, given the rarity of revolutions. Svobik (2012) finds that among the non-constitutional ways autocrats lost office between 1946 and 2008, 68% were removed by regime insiders and only 11% by popular uprisings. What is more striking is that when theories of authoritarian welfare provision are examined more closely, they do not predict redistribution toward the masses at large. Broad and uneven benefits are utilized when the size of the “launching organization” or “selectorate” that put the autocrat in power is larger in size (Bueno de Mesquita et al. 2004; Haber 2007; Mares and Carnes 2009). A larger launching organization may include individuals who have been co-opted into the regime such as party members or government bureaucrats, but in a non-democratic context, even a large launching organization is a much smaller subset of the population than “the masses.” Formal models predict that autocrats cannot credibly commit to redistribution to the poor and that the masses who have the power to engage in revolution would not use their power to obtain redistributive policies but rather to change the political system from autocracy to democracy.

What explains this inconsistency between theories that say authoritarian regimes would not redistribute to the poor and empirical evidence that authoritarian regimes do redistribute to the poor? This divergence between theory and empirical evidence can be reconciled if authoritarian redistribution is not motivated solely by the threat of regime overthrow. This dissertation demonstrates that authoritarian welfare provision is also motivated by social fear, by fear of disruption from below that is distinct from the threat of revolutionary mobilization. Theories predict that autocrats are unlikely to redistribute today because the threat of revolution is unlikely to exist tomorrow, but in contrast to revolutionary threats that are rare and relatively fleeting, social disruption is constant and continual.

Fear of disruption motivates social policies across regimes—in all systems where elites want to

maintain their social, economic, and political advantages. For example, examining welfare in the U.S., Piven and Cloward (1971) attribute the New Deal as well as welfare expansion of the 1960s to fear of disruption from below. In his study of Imperial Germany, Steinmetz (1993) describes social policies as a response from elites driven by social fear of pressure from lower classes and finds the presence of protest to be a positive predictor of subsidized unemployment insurance among German municipalities. Offe (1984) describes welfare as a safety valve for guarding against potential social problems.

The type of behavior Dibao aims to prevent includes individual protest and petitions as well as small-scale collective action that is constrained in size and geographic scope. These forms of popular protest, or everyday protest, are recurring and regular characteristics of life in China (Lorentzen 2013; O'Brien and Li 2006; O'Brien and Stern 2007; Perry 2002, 2007, 2008, 2010; Wasserstrom and Perry 1994). It is often cited that China experienced 180,000 “mass incidents” in 2010.⁶ Even if this number is off by an order of magnitude, China still experiences a consistently high level of contention, yet the CCP remains in power. This is not to say that small-scale localized protests cannot coalesce into a revolutionary movement; they can, and revolutions are often triggered by minor disruptions. However, even if disruption has the potential to threaten the regime directly or indirectly—for example through decreased legitimacy—welfare aimed at preempting disruption is broader in purpose than ensuring regime survival.

Disruptions have immediate and tangible effects on governance. Protests can disrupt economic production and lead to capital flight. Collective action can disrupt the normal functioning of government, making it difficult for leaders and bureaucrats to carry out day to day tasks. Disruption increases administrative burdens as time and resources are needed to deal with protest and collective action. All of these factors can decrease access to rents for those in power.

Outside observers of China often remark that the CCP seems particularly sensitive to collective

⁶See <http://on.ft.com/1uDFnGX>

action. The country spends more on internal policing than on its military,⁷ a single incidence of collective action can destroy the career advancement prospects of local level official (Edin 2003), and tremendous efforts are expended to censor discussions of collective action (King, Pan and Roberts 2013, 2014). This sensitivity to protest could be because the CCP believes popular uprising is a greater threat than is typical of other authoritarian regimes, perhaps due to a long tradition of rebellion and revolution (Perry 2002, 2008) or its large size. This sensitivity to protest could be because the CCP today is relatively immune to foreign pressure, in large part due to its economic importance (Levitsky and Way 2010; Skocpol 1979). This sensitivity could also stem from China's advanced capitalist economy, which relies on a stable geopolitical environment. Whether or not the CCP is truly more sensitive to disruption, or whether it simply has the capacity to take measures to mitigate disruption, it is unlikely that all authoritarian regimes are equally motivated by fear of social disruption, and it is likely that fear of social disruption also motivates democratic and transitional regimes.

Shifting from a narrow focus on threats to regime survival to a broader focus on threats to social order allows us to make sense of redistributive efforts within authoritarian regimes that are aimed at the lowest echelons of society.

1.3.2 Preemptive Targeting of Potential Disrupters

This dissertation expands our understanding of the patterns and characteristics of authoritarian welfare in three ways. First, it shows that benefits can be aimed at preempting contention and are not simply a reaction to protest. Second, it shows that welfare can be targeted not only at a regional level but at an individual level. Finally, it shows that individuals targeted by welfare provision are those who have the potential to cause social disorder, not loyal supporters of the

⁷See *Chinese Statistical Yearbook* 2012.

regime or established opponents of the regime.

Existing explanations that tie welfare provision to protest often characterize benefits as a reaction to social contention and protest (Offe 1984; Piven and Cloward 1971; Skocpol and Amenta 1986). Studies of protest and contention in China show that cash payments from stability maintenance funds are used to buy off individuals who protest (Cai 2010; Lee and Zhang 2013; Lee and Shen 2014). Distributing rewards to those who have already engaged in protest has the unfortunate effect of creating incentives to engage in protest and collective action in order to obtain material benefits. Lee (2014) observes this result in China where “gamesmanship between officials and citizens determines the price tag of stability” (Lee and Shen 2014, 9). Although redistributing to preempt contention by providing welfare to those who threaten to engage in collective action also runs into this danger by creating incentives to threaten disruption, contention is a public action that is difficult to obscure, but the threat of contention may be a private action or one that can be obscured.

Among existing scholarship that describe redistribution as a measure to prevent protest, redistribution is described as targeted toward urban regions where contention is more likely. Cities are thought to pose a greater danger to authoritarian regimes (Hobsbawm 1973; Zipf 1941), and regimes distribute to urban regions to mitigate the threat they pose (Ades and Glaeser 1994; Bates 1981; Wallace 2013, 2014). Wallace (2014) shows how redistribution in favor of cities in China has led to increased urban concentration, which further promotes collective action. This dissertation, focused on welfare provision within urban China, shows that benefits can be targeted at individuals within cities when the regime has access to information about the private lives of individuals.

In terms of the type of individual targeted by provision, my work departs from previous understandings by identifying a new group of individuals, those who have the potential to disrupt social order, as the recipients of selective welfare provision. The regime’s access to information about

individual preferences and inclinations allows the regime, in the words of Timor Kuran, to identify preference falsification, to identify individuals who may engage in behaviors undesirable to the regime but who have yet to do so.

The targeting of potential disrupters departs from prior research where targeting is described as aimed at supporters of the regime or at opponents who have acted in opposition to the regime. Stroessner in Paraguay and the Somoza family in Nicaragua rewarded supporters with land, smuggling, and business opportunities (Geddes 2006). The PRI in Mexico buys the loyalty of supporters (Magaloni, Diaz-Cayeros and Estévez 2007). Parliamentary elections in the Mubarak regime functioned as a way to distribute rents to regime supporters (Blaydes 2011). Slater (2003) describes how Malaysia under Mahathir punished regime opponents and rewarded loyalists, and suggests that authoritarian regimes all over the world, including Cuba, Mexico, Cambodia, China, Laos, Taiwan, Singapore, Vietnam, Uzbekistan, Egypt, Kenya, Senegal, Tunisia, and Zimbabwe “seem most likely to persevere when their institutions exhibit sufficient infrastructural power to curtail opposition by punishing opponents and rewarding loyalists in pinpoint fashion” (Slater 2003, 98). Targeting benefits to known opponents requires less capacity to extract information, whereas targeting benefits to potential disrupters requires the capacity to obtain private information.

1.3.3 Modern Clientelism

Selective welfare provision resembles strategic interactions with voters in machine politics (Kitschelt 2000). Like the rewards distributed by political machines, selective welfare provision is a form of modern clientelism, which requires information to guide the distribution of particularistic benefits. However, targeting benefits to prevent protest, i.e., to *discourage* a visible action, differs from distributing incentives to *encourage* a visible action like turning out to vote. With this distinction, information not only helps identify prospective recipients but also serves to obscure the instrumen-

tal function of redistribution.

Kitschelt (2000) differentiates clientelistic linkages between rulers and citizens from programmatic linkages by *selective incentives* that create asymmetric but mutually beneficial exchange. This definition means that clientelism can be personalistic, where face-to-face relations with normative bonds of deference and loyalty exist between patron and client, but that clientelism can also be “modern”—characterized by mutually beneficial exchange without personal bonds. Preferential access to material advantage in public social policy schemes is a prime example of modern clientelism. In social programs where administrators enjoy a great deal of discretion, “complicated means-tested and tests of deservingness have to be applied to determine eligibility of applicants” (Kitschelt 2011, 5), facilitating selective incentives.

As a form of modern clientelism, selective welfare provision differs from most existing descriptions of clientelism and cooptation in China and other communist regimes, which focus on personalistic bonds, such as factionalism among elites related to political advancement (Nathan 1973; Rigby 1970; Shih, Adolph and Liu 2012; Tarkowski 1981; Willerton 1979), entrepreneur-patron ties of the reform period (Wank 1996), as well as co-optation of entrepreneurs into the CCP for their skills and expertise (Dickson 2003). While selective welfare provision bears some similarity to elite-mass linkages described by Oi (1985), where local politics are structured along clientelist lines so that non-elites can try to affect policy implementation, it differs significantly because selective provision takes place within formal channels, whereas the clientelism described by Oi (1985) exists in lieu of weak formal channels. The method of providing selective incentives through the Dibao program bears greater resemblance to the formal channels of benefit distribution described by Walder (1988), but in the absence of personalistic ties.

As a form of modern clientelism that rewards individuals who fall between regime supporters and opponents, selective welfare provision is similar to the phenomenon of rewarding “swing

voters” in vote buying (Cox and McCubbins 2002; Lindbeck and Weibull 1987; Stokes 2005). However, selective welfare provision does not suffer the problem of monitoring vote choice among voters with the secret ballot that is associated with vote buying (Dixit and Londregan 1996; Nichter 2008). Since rewards are given for not protesting and not engaging in collective action, violation of this implicit agreement results in highly visible and public actions. In this sense, selective welfare provision is more akin to turnout buying and abstention buying where rewards are given for behavior that can be directly observed and monitored (Gans-Morse, Mazzuca and Nichter 2014).

Although information plays an important role in identifying the targets of benefits for both turnout buying and selective welfare provision, information plays an additional role of obscuring the instrumental function of redistribution when rewards are used to prevent individuals from taking action. If a political ruler wants subjects to take an action—e.g., turnout, vote in his/her favor—the instrumental exchange between leader and subject can be visible because the more subjects that take this action, the better it is for the ruler. However, if a political ruler wants subjects to avoid an action—e.g., not protest—it is problematic if the instrumental exchange between leader and subject is visible, because the more subjects that take the action, the worse it is for the ruler. In other words, the PRI may want more individuals to turn out, but the CCP does not want more individuals to threaten collective action.

1.4 Overview of Chapters

The dissertation begins in Chapter 2 by describing the relationship between welfare and social order in China, as well as the key features of the Dibao program and how Dibao fits into the context of a broader complex of policies—redistributing in response to protest, repression—that the CCP utilizes in its rule. Chapters 3 to 5 form the core of the dissertation, demonstrating how China’s Dibao program is aimed at preempting threats to social order, and the role of information

in enabling selective welfare provision.

Chapter 3 demonstrates that ad hoc benefits distributed to Dibao recipients are intended to decrease incentives to engage in protest and disruption. Distributing benefits prior to periods of time when local governments believe protest is likely to occur and distributing benefits in localities where local governments believe contention is more likely to occur reveals that benefits are directed to potential disrupters, not to the ill-behaved or well-behaved. In order to implement these preemptive strategies, officials must have information on when contention is likely to occur, and in the absence of specific information on planned protests, officials rely on heuristics to gauge when and where contentious action is more likely. Through interviews with government officials and analysis of internal government documents, key political meetings are identified as “sensitive periods” when officials believe protest is more likely to occur. A new dataset of ad hoc benefits distributed to Dibao households shows that Dibao benefits are promulgated prior to these “sensitive periods,” not after these periods, and ad hoc benefits are more frequently distributed in cities where contention is perceived to be a greater concern because of the presence of ethnic minorities even when actual levels of protest are relatively low.

Chapter 4 shows that threats of collective action communicated through government websites lead to increases in government responsiveness to Dibao applicants. An authoritarian regime’s ability to preempt collective action depends on whether the regime can identify potential opponents. One way of identifying these individuals is to capture the complaints of individuals who threaten to engage in disruptive behavior. Based on an online field experiment, localities react with greater responsiveness to individuals who threaten to engage in collective action if their demands for Dibao are not met. Specifically, threats of collective action cause governments to be 30 percent more likely to respond, to be 50 percent more likely to respond publicly, and to be approximately 50 percent more likely to provide the most detailed responses to demands for Dibao.

Chapter 5 shifts from Dibao applicants to Dibao recipients, and from gathering information that is volunteered to information that is extracted. This chapter demonstrates how Dibao is targeted at individuals who are more likely to be disruptive when the regime can extract detailed information about citizens. When information about who is likely to engage in collective action is not volunteered, selective welfare provision depends on the ability to extract information about the private lives of individuals. Here, using a novel measure of the regime's ability to obtain information at the individual level—the penetration of block captains in neighborhoods—data shows that selective welfare provision goes hand in hand with grassroots information gathering capabilities. Using an original survey of 100 neighborhoods across four cities in China, when neighborhoods have strong information extraction capabilities, Dibao recipients are more likely to be former prisoners and less likely to be the disabled.

Chapter 6 turns to the implications of selective welfare provision. While the goal of maintaining social order has always been a feature of the Dibao program, using benefits to achieve this strategic goal has the potential to increase contention and protest. Based on data from the neighborhood survey, this chapter shows that selective welfare provision generates contention over who should receive Dibao and the deservingness of recipients. For now, discontent over selective welfare provision is funneled through residents' committees, and residents' committees are generally able to pacify unhappy residents. However, extensive resources are required to manage discontent, raising questions over the viability of selective welfare provision as a long term strategy for managing social order.

Chapter 7 concludes the dissertation by examining the applicability of selective welfare provision to other systems, both authoritarian and democratic, and discussing the conditions under which selective welfare provision is more likely to take place. Finally, the dissertation closes by considering the future of selective welfare provision in a context of technology change and increas-

ing information access.

Replication Data: In addition to interviews and qualitative data, three original, quantitative datasets are used to generate these results: a dataset of ad hoc Dibao benefits for 36 cities from 2008 to 2013 generated from news sources, a dataset based on an online field experiment of responsiveness to Dibao applicants among all Chinese counties and districts, and a dataset of the Dibao program in 100 neighborhoods across four Chinese cities. These data and the code required to replicate all tables, figures, and empirical results presented can be found at <http://dx.doi.org/10.7910/DVN/29438> (Pan 2015).

Chapter 2

Welfare and Social Order in China

“To China’s problems, the overwhelming priority is stability. Without a stable environment, nothing can be achieved, and what has been achieved will be lost.”¹ These are Deng Xiaoping’s words spoken in a meeting to George H. W. Bush on February 26, 1989. These words, and in particular the concept that stability trumps all, have been repeated countless times in CCP documents and the speeches of China’s top leaders.

This chapter connects redistribution in China to a desire for social stability, which entails political survival but also the more expansive goal of social order. The evolution of Dibao, as well as key features of the program, are described. The chapter concludes by putting Dibao into the context of a broader set of redistributive and repressive efforts to maintain stability.

Stability motivates China’s redistributive efforts. Without concern for stability, the Dibao program is unlikely to have come into existence. But what does stability entail? At the most fundamental level, stability refers to political stability or the continuation of CCP rule. However, stability is more than regime survival, more than the absence of coups or revolutions. Stability also refers to social order, or what the CCP calls social stability.

¹中国的问题,压倒一切的是需要稳定. 没有稳定的环境,什么都搞不成,已经取得的成果也会失掉.

This concept of stability refers to a society free of protest, collective action, other forms of contention, as well as general lawlessness. This concept of stability is often described as a precondition for economic development. In a speech given in March of 1987, Deng said stability is the first condition for the “three steps” economic development strategy of doubling gross national product (GNP) from 1981 to 1990, of quadrupling the 1980 GNP by the end of the 20th century, and of increasing per capita GNP to the level of medium-developed countries by 2050.² This understanding of stability as fundamental to economic development continues to this day. In May of 2014, at the second central working session on Xinjiang, President Xi Jinping emphasized that economic development and stability are inexorably linked (发展和稳定密不可分).³

Redistribution and social welfare aimed at the poor are important aspects of China’s effort to maintain social stability. The poor are seen as a threat to social order because of their level of discontent and their ability to mobilize collectively. Wang Dongjing, current Provost of the Party School of the Central Committee of the CCP, which trains senior and middle ranking officials of the Party, has said:

...an excessive income gap will destabilize social order, and is something that needs government attention...low-income groups are slow to reap the rewards of this prosperity for a number of reasons. In the long term, this will trigger emotional dissatisfaction and affect social stability.

Zhou Baogang, a member of the Politics and Law Commission of the CCP in Hebei who has worked extensively in China’s public security system, says that those who are easiest to mobilize for collective action are low-income workers with poor quality of life (“容易发动、参加或参与群体性事件的群体...收入水平低，生活质量较差的工人群体”) (Zhou 2008, 76).⁴

²Conversation with foreign dignitary on March 8, 1987. Deng said “国内安定团结的政治局面...有领导有秩序地进行社会主义建设” is the first condition in realizing “三步走发展战略” see <http://bit.ly/1IdV6II> (Retrieved January 21, 2015)

³See <http://bit.ly/1KwVi12> (Retrieved December 3, 2014).

⁴This idea that the poor are most likely to engage in collective action reflects view of formal theorists (Acemoglu

To prevent protest and collective action among the poor, government documents highlight the importance of social welfare provision. Zhou writes of the need to “improve social assistance...to reduce discontent among the bottom rungs of society toward the income gap and social status gap” (“通过完善社会保障制度...减弱社会底层群体对收入差距、社会地位差距不满心态的影响”) (Zhou 2008, 353). In *Prevention and Management of Mass Incidents: A Reader for Party and Government Cadres* (预防与处置群体性事件党政干部读本), published by People’s Daily Press, the authors write that “building a basic social safety net is of great importance in resolving societal conflicts and preventing collective action to ensure social stability” (“构筑社会最基本的安全网，这对缓解社会矛盾，防范群体性事件的维护社会稳定具有重大的意义”) (*Yufang yu chuzhi qunti xing shijian dangzheng ganbu duben [Prevention and Management of Mass Incidents: A Reader for Party and Government Cadres]* 2009, 147).

However, in recent years, there is a growing recognition within the CCP that redistributive efforts, when given to those who protest, can have the undesirable effect of increasing contention. Lee and Shen (2014) describe how “dishing out cash payment or other material benefits in exchange for compliance has become a patterned and routinized response to popular unrest,” resulting in the persistence of instability and the commodification of state authority (Lee and Shen 2014, 9). The CCP regime seems well aware of this phenomenon and its inherent dangers (Chen 2012). In official documents as well as popular discourse, there are multiple phrases and terms used to describe the behavior of individuals who engage in protest and collective action in order to obtain material benefits:

“Big disturbance big resolution, small disturbance small resolution, no disturbance no resolution” (大闹大解决、小闹小解决、不闹不解决)

and Robinson 2006), but runs counter to survey data that suggests Chinese citizens have no problem with the increasing income gap and that there is a myth of the social volcano (Whyte 2010). Since the Chinese government’s strategy for managing collective action is based on its belief about the sources of protest, whether or not social disruption will originate from the poor is moot as long as the state believes inequality to be a source of contention and protest.

“Trouble-making citizen” (刁民)

“Endless trouble-making petitioning” (缠访闹访)

“professional petitioning” (职业上访)

There appears to be increasing emphasis on using redistributive efforts to prevent threats to stability and on using repression to punish those who have engaged in disruption. The Ministry of Civil Affairs (MoCA) and its subordinate agencies, which manage social assistance programs, increasingly emphasize that social policies should aim to *prevent* mass incidents and resolve societal contradictions.⁵

For those who engage in protest and contentious actions, the emphasis has shifted toward punishment (repression). In late 2014, the powerful CCP Central Politics and Law Commission (中共中央政法委员会) issued policies to curtail “endless trouble-making.”⁶ According to the Politics and Law Commission, those who engage in disruption to obtain compensation must be punished. In an example provided by the Commission to illustrate this approach, a Mr. Liu killed a man in a hit and run car accident, and was sentenced to five years in prison and a fine of nearly half a million Chinese yuan. After the deceased’s family received the compensation, the family repeatedly assembled in front of Mr. Liu’s father’s place of business to demand additional compensation, and some relatives traveled to Beijing more than 17 times to petition for added compensation. Instead of receiving compensation, members of the deceased’s family were subject to criminal detention. Although responding to collective action and protest with compensation is still a common practice, the CCP is actively trying to move away from this practice.

⁵For examples, see Emergency Plans of Ziling Township for Managing and Resolving Mass Incidents (子岭乡处置群体性突发事件应急预案), and speech by Gong Weibin, Director for the Department of Society and Culture at the China National School of Administration (<http://202.201.7.26/adksvod/vodText/56830/info.html>)

⁶See <http://bit.ly/1zVaDsw> (Retrieved November 3, 2014)

2.1 Dibao: China's Minimum Livelihood Guarantee

Dibao is a means-tested, cash transfer program targeted at the household level that is intended as the last line of defense for the urban poor (Solinger 2005). The program began in urban China and was expanded to include rural areas in the mid 2000s. As of September 2014, some 19 million urban residents and 52 million rural residents received transfers from the state as part of this program.⁷ Although the Dibao program is rolled out in both urban and rural China, the level of benefits is determined by locality, and urban benefits outweigh rural. To make appropriate comparisons and to examine within city variation in Dibao provision, this dissertation focuses exclusively on urban Dibao.

Like redistribution more generally, China's Dibao program was motivated by concern over social instability. Dibao grew out of the aftermath of mass lay offs and state-owned enterprise (SOE) reform (Solinger 2005, 2008). From its inception, scholars have linked Dibao with efforts to promote social stability and to minimize disruption (Solinger 2008, 2010, 2012, 2014, 2015; Tang 2003). Solinger (2008) describes Dibao as an effort to maintain stability by keeping the poor marginalized and politically pacified, and Solinger (2015) finds evidence that fear of protest may be driving dibao spending and allocation. Zhu Rongji, China's premier at the time of Dibao's adoption, said, "The Dibao's support of social stability and guarantee of the reform of the state firms has important significance; we should strengthen it, should fund it" (Tang 2003).

2.1.1 Program Design and Implementation

In 1997, the State Council promulgated the "Notice Regarding Establishing an Urban Minimum Livelihood Guarantee Scheme" (关于在全国建立城市居民最低生活保障制度的通知) requiring all county and higher levels of government to establish the Dibao program in urban

⁷From the Ministry of Civil Affairs <http://bit.ly/16n7Zht> (Retrieved January 22, 2015).

areas before the end of 1999.⁸ Starting with 2.8 million urban recipients in 1999 (Solinger 2008), coverage peaked with 23.2 million urban beneficiaries in 2009, and has since declined to 19.4 million recipients as of September 2014.⁹ After adjusting for inflation, total expenditures increased from 2.1 billion RMB at the program's inception in 1999 to approximately 46 billion RMB in 2011, and has stayed at that level since.¹⁰

The Ministry of Civil Affairs and its subsidiaries at provincial, prefectural (city), and county levels of government administer the Dibao program. Central, provincial, and prefectural levels of government all contribute funding to the Dibao program, and all play a role in its design.¹¹ The central level establishes general guidelines and principals. The provincial level sets targets, establishes more precise rules based central directives, and provides supervision to lower levels of government. City level governments determine the Dibao line, the income under which households are eligible for the program, and can exercise discretion in refining the rules of eligibility for the program.

Individuals can only obtain Dibao in the locality where they hold a residential permit (*hukou*), even if they are living or working in a different city. For example, if a married couple holding residential permits from rural Hebei is working in Beijing and their joint income falls below Beijing's Dibao line, they are not eligible for Beijing's Dibao program. If their income falls below the Dibao line of the location of their residential permit, they can obtain the Dibao benefits of their locality.¹²

⁸For original text see <http://bit.ly/1BZgFDL> (Retrieved January 22, 2015).

⁹For data by year see Ministry of Civil Affairs <http://www.mca.gov.cn/article/zwgk/tjsj/> (Retried January 22, 2015).

¹⁰Numbers are inflation adjusted based on OECD consumer pricing data to 2014 RMB. According to data from the Ministry of Civil Affairs, total expenditures for urban Dibao was 42.9 billion in 2011 RMB (46.1 billion in 2014 RMB), 46.0 billion in 2012 RMB (48.3 billion in 2014 RMB), 45.6 billion in 2013 RMB (46.7 billion in 2014 RMB), and 47.6 billion RMB in 2014.

¹¹Various bureaucratic entities may be involved at each level. For example, when setting the Dibao line, the civil affairs department, the finance department, the human resources and social security department, the reform and development commission, and the statistics department may all be involved because of the fiscal implications of changing the Dibao line.

¹²Although residential permit policies are changing and restrictions on movement are easing, it is rare for a resident to physically relocate in order to access better benefits.

2.1.2 Cash Transfers and Ad Hoc Benefits

The core feature of the Dibao program is the cash transfers provided to households whose incomes fall below the Dibao line. However, these cash transfers constitute very meager subsidies to Dibao households. The Dibao line sets the general eligibility threshold for households and represents the maximum amount of cash transfers that any Dibao household can receive. For example, let's say City A has a Dibao line of 400 RMB per household per month; this means each household in City A with income below 400 RMB per month should, in theory, receive a cash subsidy so that the household's monthly income reaches 400 RMB per month. In this example, a family with a household income of 100 RMB per month would receive monthly subsidies of 300 RMB per month; a family with a household income of 350 RMB per month would receive monthly subsidies of 50 RMB per month.

The city government sets the Dibao line, in part because pricing, consumption, and income patterns vary widely among cities, and in part because city governments often shoulder a large share of program costs. Central guidelines ask city governments to set the Dibao line to ensure recipients can support basic living needs in terms of clothing, food, housing, utilities, and educational costs for children; however, large differences in Dibao lines exist among cities.¹³

Figure 2.1 shows substantial variation in the Dibao line among 36 of China's largest cities¹⁴. This figure shows the Dibao line from 1997 to 2011 with and without adjusting for inflation for all

¹³In 2004, policy documents were issued by MoCA calling for increasing standardization of Dibao policies, but details as to how standardization should be achieved were not provided (see <http://bit.ly/1LSxisX> (Retrieved August 12, 2013)). In 2011 MoCA in conjunction with the National Development and Reform Commission, Ministry of Finance, and the National Bureau of Statistics released detailed guidelines on how localities should calculate Dibao standards using basic living expenditures, Engel coefficient, or consumption expenditure ratios (see <http://bit.ly/1ze5iG3>, retrieved August 12, 2013), but much is left to the discretion of local governments in determining what constitute basic necessities and in deciding whether future Dibao standards are dependent on past policies. For example, what is included in non-food necessities is not strictly defined, and what households constitute the "lowest income families" can vary. Finally, the different methods of calculating Dibao standards can yield different estimates of the Dibao line, which city governments can then choose among to obtain their preferred standard.

¹⁴These 36 cities are the unit of analysis for Chapter 3, and are described in greater detail in Section 3.3.

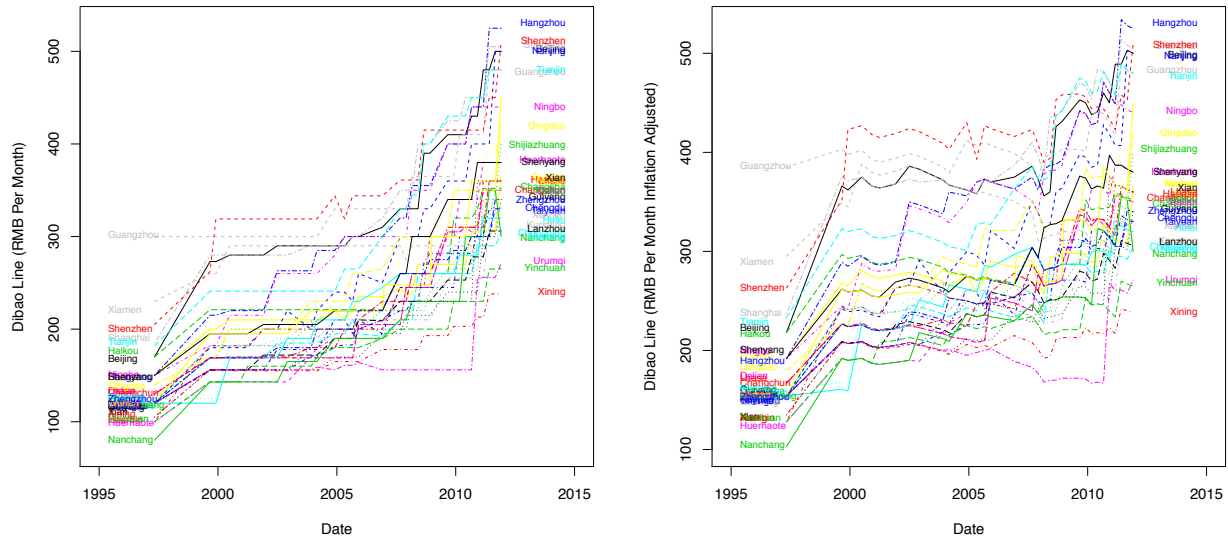


Figure 2.1: *Dibao line among 36 cities from 1997 to 2011 without inflation adjustment (left panel) and adjusted to 2011 RMB (right panel)*

of China’s provincial-level cities, provincial capitals, and sub-provincial level cities. Given their political importance, these cities should be the most aligned with national policies, and hence least likely to exhibit variation. However, this is clearly not the case. The gap between the city with the lowest Dibao line and the highest Dibao line was approximately 200 RMB when the program first started, and increased to 300 RMB by 2011.

Figure 2.1 also reveals that within cities, the Dibao line has not increased substantially in the past decade after controlling for increases in the cost of living. The Dibao line exhibits this path dependence largely because many cities peg the Dibao line to the local minimum wage and level of unemployment insurance. Typically, the level of unemployment insurance is set below minimum wage, and the Dibao line is set below unemployment insurance. Changes to these rates can have large effects on local fiscal expenditures, and thus changing the Dibao line requires extensive

negotiation among local bureaucracies.¹⁵

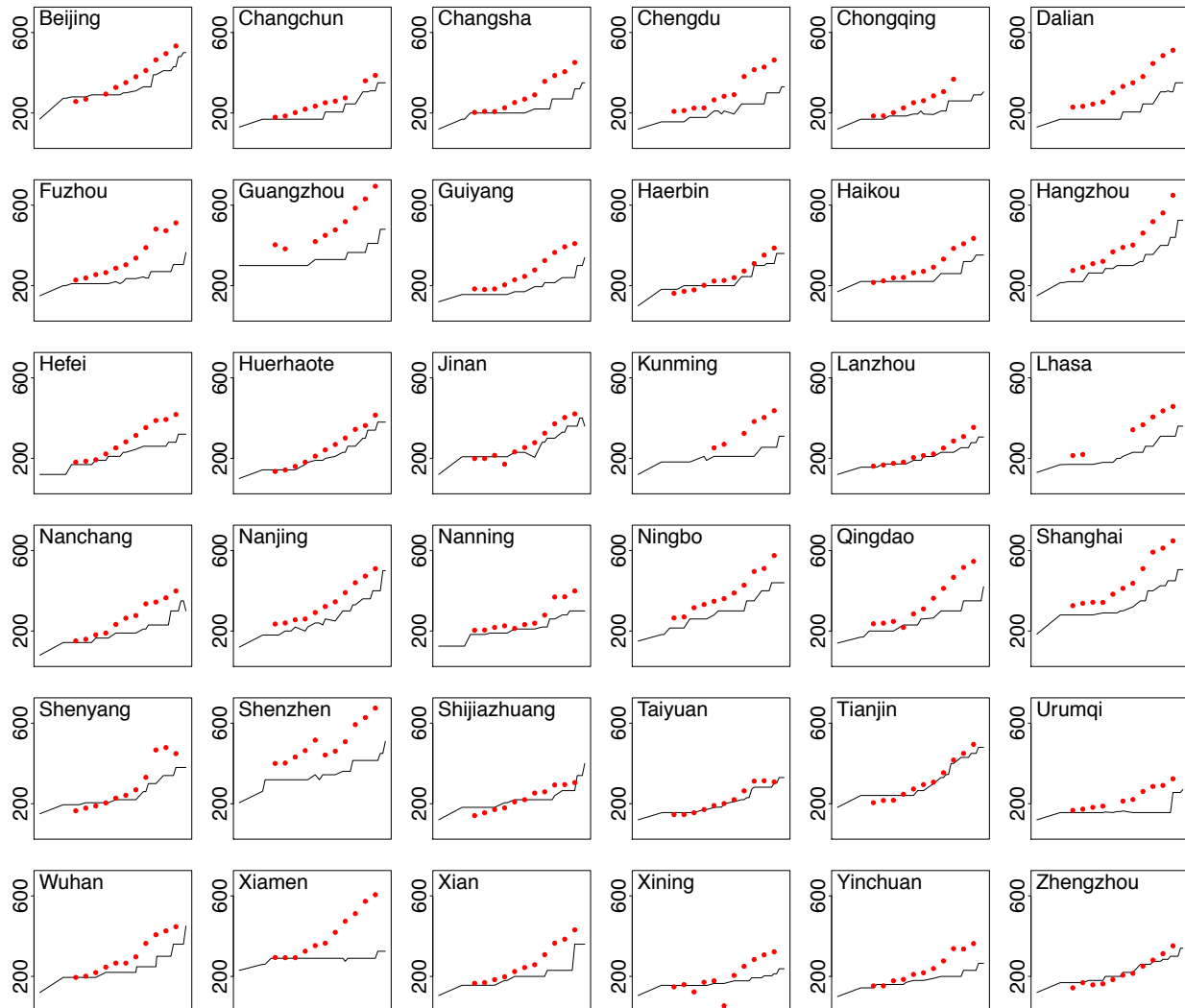


Figure 2.2: *Dibao line in RMB per month (in black) and average monthly household food expenditures (dots) for 36 cities between 1997 and 2011*

Although cash transfers are the core feature of the Dibao program, they constitute extremely modest transfers leading observers to remark that Dibao functions to keep the poor impoverished (Solinger 2008, 2010). Although the Dibao line is supposed to be at a level that covers clothing,

¹⁵Based on interviews with civil affairs officials in Beijing, Henan, and Hubei.

food, housing, and other basic living expenses, Figure 2.2 shows that in most cities, the Dibao line falls below the city's average food expenditures.¹⁶ In this figure, dots represent the average monthly household food expenditures, and the black line is the monthly Dibao line, which is the maximum subsidy that a Dibao household can receive in a month. For all of these 36 cities, which serve as reference points for other localities, the Dibao line (in Figure 2.2) is at or below average household food expenditures (dots), and in many cases, the Dibao line has increased more slowly than food expenditures over time.

Despite the meager level of cash transfers, Dibao status is often described as desirable.¹⁷ The attractiveness of Dibao status derives in large part from the *ad hoc benefits* distributed to some Dibao households. These benefits are ad hoc not because they are informal—they are recorded in government policy documents and publicized on official media—but because they can be issued at any time and represent a one time distribution of benefits. The economic value of these benefits vary hugely—an ad hoc benefit could be access to another apartment that can be rented for thousands of yuan per month, or it can be free light bulbs that are worth just a few yuan. These benefits are distributed throughout the year, and can be issued by provincial, city, and even district levels of government without formal budget negotiations. Few ad hoc benefits are provided to all Dibao households, and most are limited in quantity, which generates greater variation into the actual level of benefits received by different Dibao households.

These benefits introduce a great deal of flexibility and discretion into the Dibao program. Ad hoc benefits mean that Dibao recipients in the same city, district, or even neighborhood may not receive the same level of material transfers. As such, they play an important role in selective welfare provision. These ad hoc benefits are described in depth in Chapter 3, which explains how the timing and geographic variation of ad hoc benefits is aimed at decreasing incentives to engage

¹⁶Food expenditure data from the 2011 China City Economic Yearbook (中国区域经济统计年鉴).

¹⁷Interviews with Dibao administrators, Dibao recipients and residents without Dibao in Qingdao, Zibo, Zhengzhou, and Wuhan.

in social disruption.

2.1.3 Determining Eligibility

The process of determining eligibility is another place where discretion and selectivity can be seen. The residents' committee at the neighborhood level, which assesses income and assembles application materials, plays a crucial role in the application process.

For any potential applicant, the process of obtaining Dibao starts with the neighborhood residents' committee. Residents' committees, which have on average five to twenty staff members that oversee several thousand households, are not an official part of the state bureaucracy. However, they are staffed by individuals who act as representatives of the state, interacting most directly and most frequently with urban residents on a wide range of issues, from family planning to public safety to social services. Residents' committees often overlap physically and in terms of staff with a Party branch, so that even though the residents' committee falls outside of China's formal administrative boundaries, the neighborhood is very much within the control of the CCP.¹⁸ Residents' committees were used during the early communist period to reach city dwellers who had no other connection to the regime, such as unemployed housewives (Zheng 2005). In Read's study of residents' committees in Beijing, he describes how they convey information from the state to residents, and how they collect information as a crucial component of the state's surveillance network (Read 2012, 106-7).

In the simplest terms, the residents' committee facilitates initial Dibao applications by collecting application materials, ensuring the veracity of submitted materials, and managing subsequent reporting. Since Dibao is a means-tested program, assessing income is a primary concern when evaluating the veracity of materials. After the residents' committee verifies application materials,

¹⁸If there are 50 to 100 Party members, the Party branch is called a *dangzongzhi* (党总支); if there are 3 to 50 Party members, the branch is called a *dangzhibu* (党支部).

it submits all relevant paperwork to the street office, which typically passes the application to the district civil affairs department for final approval.¹⁹

Although the district provides final approval of Dibao applications, the residents' committee is the crucial actor in determining eligibility, going as far as turning away applicants who are unlikely to be approved, as was the case with Mrs. Wang in Golden Beach Road.²⁰ Read writes that "neighborhood leaders are not at liberty to make an up or down decision about welfare benefits on their own authority, they are preliminary fact finders, and advise higher level agencies" (Read 2012, 121-2). While this statement is factually correct, it misses the crucial point that the difficulty of ascertaining income turns residents' committees from fact finders into gatekeepers with a great deal of power. In other words, because it is often very difficult to determine the income of Dibao applicants, many of whom work informally, the residents' committee, through its role as the assessor of income, has control over the success or failure of Dibao applications.

This discretion of the residents' committee can result in personalistic clientelism, for example conferring Dibao to friends and relatives, a phenomenon called *favor Dibao* (人情低保), which the regime has been working hard to eliminate.²¹ In the case of *favor Dibao*, residents' committees use their discretion to confer Dibao to households that do not fulfill the eligibility criteria. However, this discretion also allows residents' committees to engage in selective welfare provision, where residents' committees ensure the success of applications for a subset of households that meet eligibility criteria but also have the potential to disrupt social order.

The residents' committee is an important partner in successful Dibao applications because of

¹⁹In some localities, the street office civil affairs department approves applications.

²⁰Another example of this can be seen on [zhidao.baidu](http://zhidao.baidu.com) where, in response to a woman's question about how to manage someone who wants to apply for Dibao but does not fulfill the requirements, a self-identified residents' committee employee answered that if the potential applicant does not fulfill the criteria, then you cannot submit the materials upward, and goes on to provide guidance on how to dissuade the potential applicant (对于不符合低保条件的申请人,你是不能将其材料往上报的). See <http://bit.ly/1EEdiYU> (Retrieved November 10, 2014).

²¹The negative reaction of the regime to *favor Dibao* is unsurprising since *favor Dibao* has generated contention and protest (see Chapter 6 for more details).

the complexity of the administrative process. For example, in a neighborhood in Wuhan's Jiangnan district, applicants are required to submit an application form, a copy of their personal identification card, a copy of their urban residence permit (*hukou*), a marriage certificate, validation of their income or validation of unemployed status if they have no source of income, documentation of illness and/or disability, copy of lease or housing ownership, and monthly utilities statements. In many neighborhoods, residents' committees, accompanied by neighborhood representatives and block captains, conduct extensive investigations to ascertain the income of prospective Dibao household by visiting the household and interviewing household members as well as neighbors and employers. In instances where there is no formal employment, residents' committee members have been known to visit sites of informal employment—from vegetable markets to roadside kiosks—to assess income.²² Given this complex application process, the support and assistance of the residents' committee can mean the difference between a successful or failed application.²³

2.2 Dibao in Context

The CCP employs a broad complex of tools to ensure social stability. In this section, I use fiscal expenditures to put the Dibao program into the context of this broader array of governance tools. While these fiscal measures do not fully capture the relative importance of Dibao, because they do not account for the cost of human resources devoted to running the program, fiscal expenditures provide a starting point. Examining Dibao expenditures in the overall scheme of publicly available redistributive and repressive expenditures reveals that, as a single program, Dibao represents an important dimension of rule.

²²Based on interviews in Qingdao, Wuhan, and Zhengzhou.

²³This echoes the work of Bai, Hsieh, and Song (2014) on the relationship between entrepreneurs and their government “sponsors” (http://cowles.econ.yale.edu/conferences/2014/summer/macro_song.pdf); if entrepreneurs have government sponsors, then it is much more likely that their firms will be successful.

It is often noted that China's spending on domestic security, including armed police and stability maintenance funds, has outstripped the country's spending on national defense, but what is less often mentioned is that spending on social welfare is nearly double that of either domestic security or national defense spending. Based on data from the 2011 *China Statistical Yearbook*, Table 2.1 shows, central and local governments together spent 533.3 RMB on national defense in 2010, 551.8 billion on domestic security, and 913.0 billion on social welfare and unemployment. If we focus only on local government expenditures, provincial and lower levels of government spent 868.0 billion on social welfare compared to 464.3 billion on domestic security.²⁴ This difference is substantial even if a large proportion of domestic security expenditures are removed from official expenditure reports or hidden within other categories of expenditures.²⁵ Spending on social welfare is the third largest expenditure category overall representing 10.2% of total government expenditures, and it is the second largest expenditure category for local government, at 11.7% of overall local government expenditures.

Within social welfare and unemployment, direct Dibao expenditures were 97.0 billion RMB, representing slightly over 10% of total welfare expenditures in 2010.²⁶ However, these direct costs do not include all of the cost of administering the program or the cost of ad hoc benefits. One other program with higher government expenditures is China's Old-Age Insurance program, a social insurance program administered by the Ministry of Human Resources and Social Security. In 2010, government contributions into the old pension scheme totaled 195.4 billion RMB.²⁷ However, as a voluntary, largely beneficiary-financed insurance program, Old-Age Insurance cannot be

²⁴Local governments contribute very little: 15.7 billion to national defense.

²⁵Based on data from 2009, the last year for which this extra-budgetary expenditures is available, China spent a total of 17.2 billion RMB in extra-budgetary expenditures on social welfare and 145.7 billion RMB on other expenditures.

²⁶Includes both urban and rural Dibao since total welfare spending is not disaggregated between urban and rural. Within Dibao expenditures, 54% was urban. See Ministry of Civil Affairs Social Welfare Statistical Report for 2010 at <http://bit.ly/1LSxw3f> (Retrieved January 22, 2015).

²⁷See Ministry of Civil Affairs Statistical Announcement for 2010 at <http://bit.ly/1zUF6FR> (Retrieved January 22, 2015).

Table 2.1: Government expenditures by category (in billion RMB)

Category	Total	Central Government	Local Governments
Education	1,255.0	72.1	1,182.9
General Public Services	933.7	83.7	850.0
Social Safety Net and Employment Effort	913.1	45.0	868.0
Agriculture, Forestry and Water Conservancy	813.0	38.8	774.2
Urban and Rural Community Affairs	598.7	1.0	597.7
Public Security	551.8	87.5	464.3
Transportation	548.8	149.0	399.9
National Defense	533.3	517.6	15.7
Medical and Health Care	480.4	7.4	473.1
Exploration, Power and Information	348.5	48.8	299.7
Science and Technology	325.0	166.1	158.9
Environment Protection	244.2	6.9	237.3
Housing Security	237.7	38.6	199.0
Interest payment for domestic and foreign debts	184.4	150.9	33.5
Culture, Sport and Media	154.3	15.0	139.3
Commerce and Services	141.3	14.0	127.3
Affairs of Land and Weather	133.0	17.6	115.4
Management of Grain & Oil Reserves	117.2	49.5	67.7
Post-earthquake Recovery and Reconstruction	113.3	3.8	109.5
Financial Supervision	63.7	48.8	14.9
Foreign Affairs	26.9	26.8	0.1
Total	8,987.4	1,599.0	7,388.4

Source: 2011 China Statistical Yearbook

targeted selectively to help maintain social stability in the way that a means-test cash transfer can be. Compared to other social assistance programs, Dibao is China's single largest cash transfer program.²⁸

²⁸China has other social assistance programs, some are legacies of the Communist era while others are targeted toward specific regions, but no other program comes close to the size of the Dibao program.

Chapter 3

Decreasing Incentives for Disruption with Ad Hoc Benefits

This chapter demonstrates that ad hoc benefits distributed to Dibao households are aimed at preempting disruption and are not given as rewards for disruption or as rewards for good behavior. It does so by examining the timing of ad hoc benefits and the geographic dispersion of ad hoc benefits. Based on heuristics of when and where protest is likely to occur, ad hoc benefits are distributed prior to periods of time when officials believe protest is more likely and in regions where protest is perceived as a greater threat.

Distributing benefits before periods when protest is believed to be likely, rather than after they have occurred, shows how Dibao is intended to decrease incentives to engage in disruption rather than pacify individuals who have already protested. Distributing benefits in cities where protest is believed to be more likely (but where protest does not actually occur at greater frequency) shows how benefits are intended to diminish the potential for protest rather than to reward those who have engaged in social disruption or to reward those who pose no threat to social order.

Two important distinctions related to this analysis need to be highlighted. First, benefits are

distributed based on officials' beliefs and perceptions of the likelihood of protest, not the actual incidence or level of disruption. In equilibrium, if the distribution of benefits is effective in preempting disruption, the probability of social disorder may even out across time and geography. Furthermore, even if the distribution of ad hoc benefits is not effective in preempting protest, a locality with high potential for disruption may not experience higher levels of disorder because leaders assigned to those localities may be more capable of managing disruption and because a broader array of tactics might be used to prevent disorder in localities perceived to be more threatening. However, it is worth noting that even if various tactics to prevent disruption are effective and even out the probability of disruption in equilibrium, we would expect the distribution of benefits to continue if disorder is expected to increase or return in their absence. This expectation is reasonable since threats to social order—individual petitions, small scale collective action—can occur with relative ease, unlike revolutionary mobilization.

The second distinction is the focus on the distribution of benefits to households that have already been approved for the Dibao program. By examining benefits to those who already qualify for the program, this chapter holds in abeyance the question of how Dibao is targeted to those who are potential disrupters. The question of how the regime identifies potential disrupters and selectively awards them with benefits is examined in later chapters.

3.1 Ad Hoc Benefits

Ad hoc benefits can have a large impact on the economic well-being of Dibao recipient households, so they are an important component to analyzing the effect of the Dibao program; however, because ad hoc benefits do not reach all Dibao households, they introduce additional discretion and selectivity into the program.

As mentioned in Chapter 2, the core feature of the Dibao program and the one that is most

often discussed and analyzed are cash transfers that subsidize the difference between household income and the Dibao line. However, because the Dibao line can be exceptionally low and has remained relatively unchanged over time, focusing on this portion of the program provides an incomplete picture of Dibao benefits. Instead, by focusing on ad hoc benefits—benefits that are distributed to Dibao households in addition to core cash transfers—a more comprehensive view of the redistributive effect of the Dibao program emerges.

As of December of 2011, the average Dibao line among 36 of China's largest cities was 376 RMB per household per month. Since the Dibao line represents the maximum monthly income for Dibao households, as noted in Chapter 2 these amounts barely support subsistence living standards, especially in the context of the rising cost of living in urban China. Given these limited cash transfers, the desirability of Dibao status derives in large part from the ad hoc benefits conferred to some Dibao households, especially benefits in the realm of housing (Hong 2004). Dibao lines are difficult to change because when they change, other standards—minimum wage levels and unemployment benefits—also have to be changed, a process that entails intense negotiation among bureaucracies.¹ While the Dibao line often only changes once every few years, ad hoc benefits, which do not have to be approved through a formal budgetary process, are distributed many times each year.

At the national level, MoCA and other ministries have issued documents and notices encouraging the provision of ad hoc benefits for Dibao households. In 2004, MoCA along with the Ministries of Construction, Land and Resources, Finance, and Taxation issued notices to ensure the availability of low-cost rental housing for Dibao households.² Access to low-cost housing for Dibao households was also emphasized by the State Council in 2007.³ From 2004 to 2007, the

¹Based on author's interviews with civil affairs and finance bureau officials in Beijing and Wuhan. Between 1997 and 2011, the Dibao line was changed on average of nine times among 36 cities across China that are often used as the reference set of cities for Dibao standard setting.

²See <http://bit.ly/1BZh7Ss> (Retrieved August 14, 2013).

³See <http://bit.ly/1DEVYix> (Retrieved August 14, 2013).

State Council and CCP Organization Department along with a number of ministries issued a series of documents encouraging local Party and government authorities to put in place ad hoc benefits to assist Dibao households beyond cash transfers.⁴

Provinces, cities, and districts all have autonomy to provide ad hoc benefits for Dibao households. For example, in Fuzhou, the capital of Fujian province, ad hoc benefits include access to low-cost housing for around 4,000 Dibao households, free health check-ups for women of Dibao households, and free public transportation for students belonging to Dibao households. In Hefei, the provincial capital of Anhui, ad hoc benefits include subsidies for natural gas and water, higher medical reimbursement standards, and waived burial and funeral expenses. In Zhengzhou, the capital of Henan province, Dibao families with children who are in college can receive up to 8,000 RMB per year in cash subsidies, and Dibao households can receive medical subsidies up to 10,000 RMB per year. In the capital of Hubei province, Wuhan, Dibao households can receive 10 RMB per month per square meter in housing assistance, Dibao households do not have to pay garbage collection fees and pay reduced fees for water, and children of some Dibao households are selected to participate in free supplemental educational courses for English and other subjects.

As the above examples show, ad hoc benefits are often limited in number and Dibao households often have to meet additional qualifications in order to receive them. These characteristics of ad hoc benefits introduce additional discretion and selectivity into the Dibao program.

3.2 Timing and Geographic Patterns of Disruption

Ad hoc benefits are announced and distributed through the year, year after year, but within cities, they vary in terms of their timing, and among different cities, they are used to varying extents.

⁴For policy documents, see <http://bit.ly/1ze5AwE>, <http://bit.ly/1D3M2kt>, <http://bit.ly/1zUFuUE>, <http://bit.ly/18T7u0s>, <http://bit.ly/1DkRD6i> (Retrieved August 14, 2013).

The continuous yet discretionary nature of these ad hoc benefits provides analytical leverage in examining the instrumental function of the Dibao program in preempting threats to social order.

Selective welfare provision refers to the selective distribution of benefits to potential disrupters who may cause social disorder in the future, not to well-behaved individuals who are supportive of the regime or disengaged from social and political action, and not to ill-behaved individuals who have already engaged in disruption. Putting aside the question of how Dibao is targeted to potential disrupters for later chapters, let us assume for now that at least some Dibao recipients are potential disrupters.

Timing: In order to decrease the incentives of potential disrupters to engage in disruption, ad hoc benefits would be distributed prior to periods of time when disruption such as protest or collective action is believed to be more likely. In contrast, if welfare programs are designed to buy off individuals who have already engaged in protest, benefits are more likely distributed after periods of time when disruptions have already occurred. This means that in order for ad hoc benefits to be aimed at decreasing incentives for disruption, we should observe a higher likelihood of ad hoc benefits being distributed before, rather than after, periods of time when protest and disruption are thought to be likely.

To reiterate, if we observe that the distribution of benefits occurs prior to periods when collective action is believed to be likely, benefits are more likely targeted at potential opponents who may engage in undesirable actions. If we observe the distribution of benefits after periods of time when collective action is believed to be likely, benefits are more likely targeted at actual opponents who have already engaged in desirable actions.

Geographic Dispersion: Even if we see benefits appearing prior to time periods with higher perceived probability of disruption, benefits could well be aimed at well-behaved. Distributing

benefits at these times could serve to improve general goodwill toward the regime, without being aimed at mitigating the threat of potential disrupters. Although subsequent chapters will take a closer look at the characteristics of Dibao applicants (Chapter 4) and recipients (Chapter 5), examining patterns in the use of ad hoc benefits among different cities can help us differentiate between these alternative explanations of welfare provision.

If the perceived threat of disruption is positively correlated with the level of ad hoc benefits, then benefits are more likely aimed at preempting social disorder. In other words, if benefits are intended to preempt disruption, then we should see higher levels of benefits in places where disruption is perceived to be a more serious problem. On the other hand, if the perceived threat of disruption is negatively correlated with the level of ad hoc benefits, then benefits are more likely aimed at rewarding the well-behaved. Here, if benefits are rewards for good behavior, then we should see higher levels of benefits in places where disruption is perceived to be a less serious problem.

Perceptions of the threat of disruption are based on heuristics, and thus, a positive correlation between perceived levels of threat and ad hoc benefits could be a spurious result of other factors that correlate with perceptions. For example, perceived levels of threat could correspond with a locality's actual levels of protest, with a locality's level of income inequality, with the demographics of the locality. In order to isolate the relationship between perceived levels of threat and ad hoc benefits, these other factors are included as control variables.

3.3 Data

This section describes the original dataset created to capture the level of ad hoc benefits over time and across cities. Also discussed is how the periods of time when disruption is believed to be most likely is measured, and how perceived levels of potential disruption among cities are

measured. For this analysis, I focus on 36 of China's largest cities, which have been the focus of a great deal of Dibao research (Chen, Ravallion and Wang 2006).⁵ These 36 cities include all of China's provincial-level cities and provincial capitals, and sub-provincial level cities.⁶ These cities are among the most politically important in China, and because of their status, their policies and strategies are often referenced and copied by other localities (Hong 2004).

3.3.1 Ad Hoc Benefits

Using traditional and new media sources available online, I collected all news reports mentioning Dibao for these 36 cities from January 2008 to June 2013. Data was collected by searching `news.baidu.com` using the city name, the term Dibao in Chinese, and a six month period. For example, to compile the data for Beijing, 11 searches were conducted, using the terms “Beijing AND (Minimum Livelihood Guarantee OR Dibao)” (北京AND (最低生活保障OR 低保)) from January 1, 2008 to June 30, 2008, “Beijing AND (Minimum Livelihood Guarantee OR Dibao)” from July 1, 2008 to December 31, 2009 and so on for each six month period until the period of January 1 2013 to June 30, 2013. For each search, all pages of results were collected.⁷

After removing duplicate reports of the same benefit, 3,022 distinct reports related to Dibao were found.⁸ Each news report was read by human coders to determine whether it related to an ad hoc Dibao benefit, resulting in 2,390 (79%) distinct reports of ad hoc benefits. Reports not included are those that focus on changes in the Dibao line, as well as news describing or criticizing

⁵Beijing, Changchun, Changsha, Chengdu, Chongqing, Dalian, Fuzhou, Guangzhou, Guiyang, Haerbin, Haikou, Hangzhou, Hefei, Huerhaote, Jinan, Kunming, Lanzhou, Nanchang, Nanjing, Nanning, Ningbo, Qingdao, Shanghai, Shenyang, Shenzhen, Shijiazhuang, Taiyuan, Tianjin, Urumqi, Wuhan, Wuxi, Xiamen, Xian, Xining, Yinchuan, Zhengzhou

⁶Sub-provincial cities are independently administered cities distinct from prefectural-level cities governed by the province. There are currently 15 sub-provincial cities and all are provincial capitals.

⁷The rule of collecting the first 100 pages of results was utilized, but among the 396 city-time period searches conducted, none came close to reaching 100 pages.

⁸Duplication removal was done through human reading.

the Dibao program and its outcomes. News related to visits by government officials to Dibao households are included, since visits by officials almost always entail material benefits in the form of gifts. For the reports of ad hoc benefits, human coders then determined whether the benefit was distributed by the government or private sources. An example of a private source would be a local Carrefour donating food to Dibao families. Since private distribution of ad hoc benefits often involves collaboration with the government, both public and private benefits are included in my analysis.⁹ Next, coders identified whether the benefit was a cash transfer, an in-kind transfer (e.g., cooking oil, reduced utilities costs, reduced housing costs), or a service (e.g., free cancer screening). We also identified the category of the benefit (e.g., housing, food, education), whether anyone with Dibao status can obtain the benefit or whether there was a limit to the number of Dibao households who could receive the benefit, whether the benefit targeted a particular demographic (e.g., elderly over the age of 75, disabled children, pregnant women), and finally the date the ad hoc benefit went into effect.¹⁰

The left panel of Figure 3.1 shows the number of ad hoc benefits collected by year from January 1, 2008 to June 30, 2013. In 2008, 454 unique ad hoc benefits were identified, 374 in 2009, 388 in 2010, 485 in 2011, 432 in 2012, and 257 in the first half of 2013. We do not see a decline in reports of ad hoc benefits going back in time, suggesting that online news sources capture a relatively consistent sample of ad hoc benefits.

The right panel of Figure 3.1 shows the number of ad hoc benefits collected by city for the entire time period. The figure reveals substantial variations in the use of ad hoc benefits among cities. Over the course of four years, only 22 ad hoc benefits were distributed in Wuxi, while 127 were distributed in Chengdu. This between-city variation is revealed more clearly in Figure 3.2, which shows the count of benefits by day over the five year period for each city. In this figure, the

⁹The exclusion of benefits from private sources does not affect the substantive results.

¹⁰Also recorded were the dates of the news report and the date the benefits was announced. Analysis is based on the date the ad hoc benefit goes into effect (i.e., is distributed to citizens).

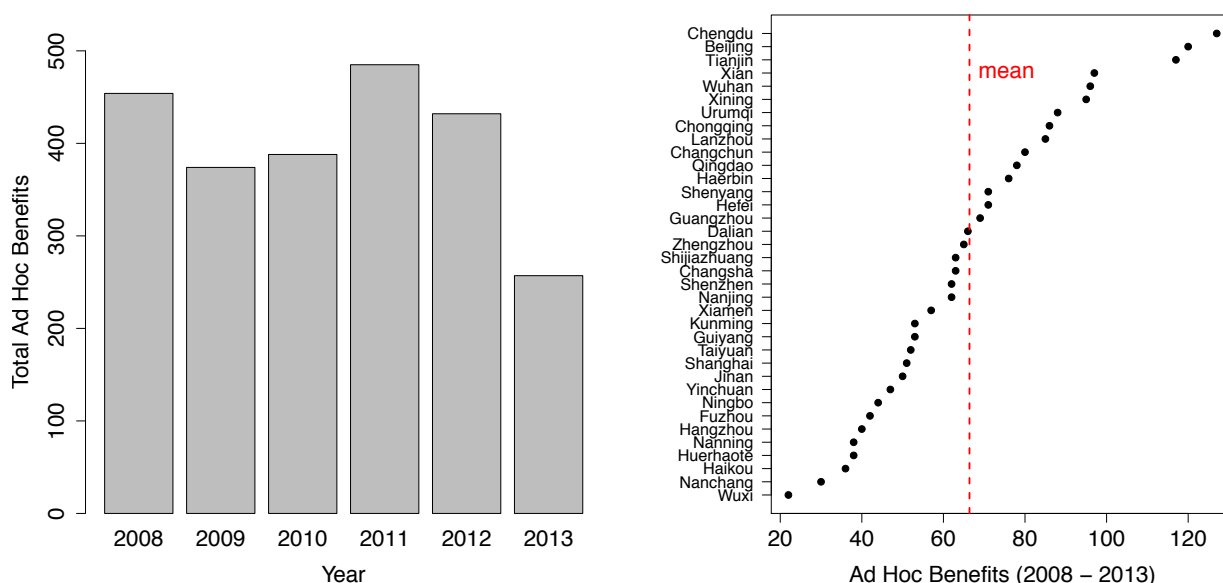


Figure 3.1: The number of ad hoc benefits by year (left panel); number of ad hoc benefits by city (right panel)

y-axis refers to the number of unique ad hoc benefits, the x-axis is date, ranging from January 1, 2008 to June 30, 2013, and each black vertical bar denotes the distribution of an ad hoc benefit.

From Figure 3.2, bursts in the distribution of benefits as well as periods of concentrated distribution can be seen in some cities, but the overall pattern of distribution varies among cities. Cities such as Lanzhou, Shijiazhuang and Tianjin exhibit bursts at regular intervals over the five year period. Other cities, for example Guiyang and Hangzhou, never distribute more than one benefit per day, and still others such as Beijing, Chengdu, and Guangzhou have a few periods characterized by large bursts and concentrations of benefit distribution.

On average, cities distributed 66 unique benefits over this time period, approximately 1.2 benefits every month. Systematic bias in government reporting of ad hoc benefits among cities is unlikely. Local governments are unlikely to censor reports of Dibao benefits because Dibao is a topic that the localities want to publicize—not only does it serve an administrative function of mak-

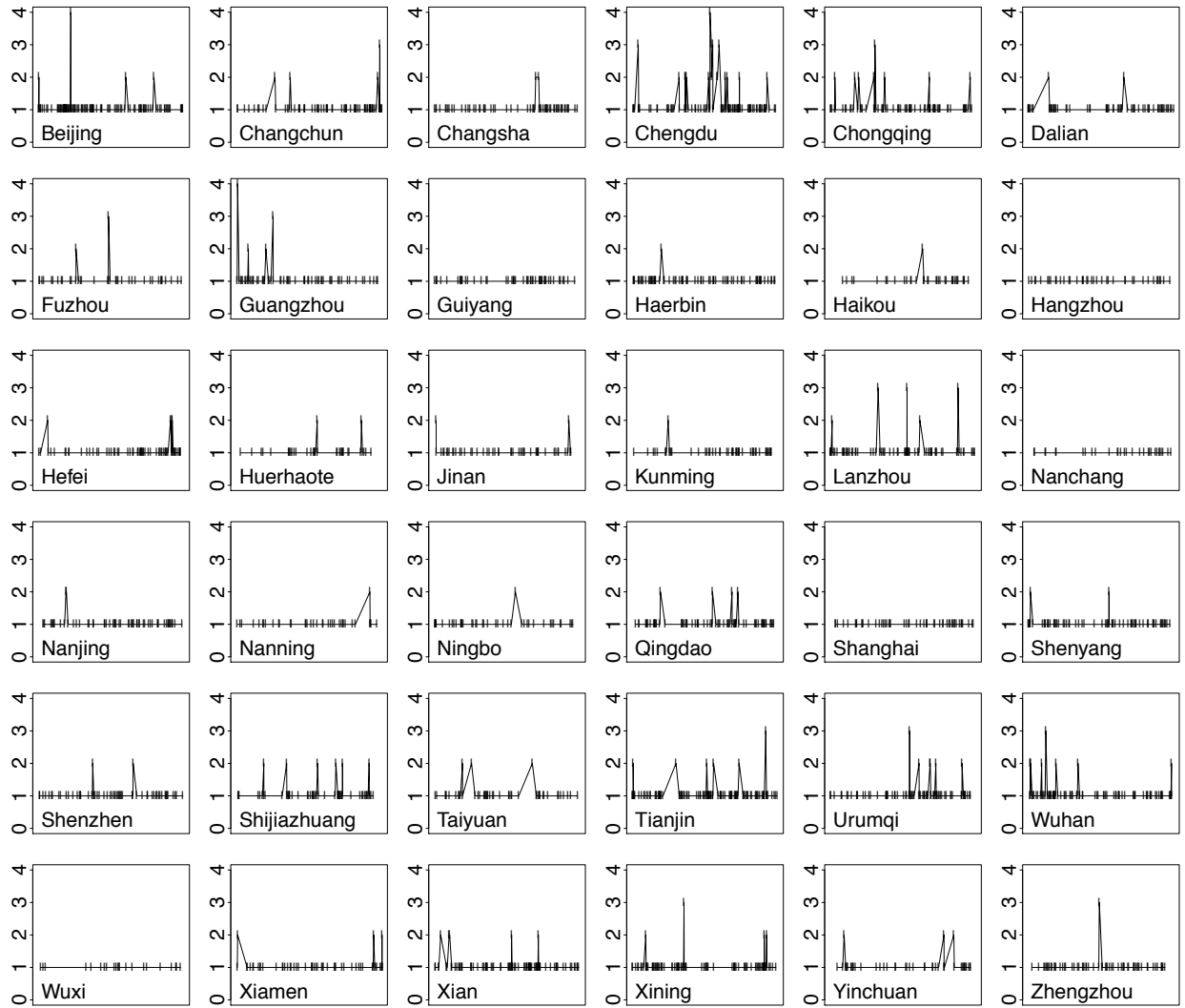


Figure 3.2: Count of ad hoc benefits by day from January 1, 2008 to June 30, 2013 for each city (vertical bars represents date of benefit)

ing government policy known, it also demonstrates the “good works” of the local government.¹¹ Thus, any bias in this data would derive from the lack of capacity of local government or of local news media to report their own policies. Capacity constraints are likely related to the fiscal power of localities or their level of economic development, so these variables are included as controls in

¹¹News reports of protest related to Dibao or critique of the program are not included in this analysis.

subsequent analysis.¹²

Across all cities, the vast majority (89%) of benefits are funded by the government. Of the non-state-funded benefits, nearly 7% come from state-owned enterprises and government organized NGOs, like the the Women’s Federation, and only 4% are funded by private sources. In terms of the form of the benefit, 45% were in-kind benefits, 43% were direct cash transfers, and the remaining 12% were services. The distribution of benefits by category is shown in Table 3.1. The largest

Table 3.1: *Ad hoc dibao benefits by category*

Category	Occurrence	
	Count	Proportion
Living expenses	1033	43%
Medical and Health	372	16%
Utilities	284	12%
Housing	243	10%
Education	223	9%
Employment	76	3%
Entertainment	76	3%
Burial and Funerary	50	2%
Elderly	22	1%
Transportation	11	0%
Total	2390	

category are living expenses, primarily cash or in-kind benefits intended to provide additional support for daily living expenses such as food and clothing. The second largest categories are benefits related to medical and health expenses—for example, waiving individual contribution for public health insurance programs, free health check-ups and screenings, and cash subsidies to cover other out-of-pocket medical expenses. Utilities benefits include heating, oil, gas, water, and trash collection subsidies. Housing benefits refer to access to low-cost housing and housing purchase and rental subsidies. Education benefits are typically cash transfers for children, ranging from those in preschool to college. Benefits in the employment category are typically job training programs

¹²I find no correlation between these economic and fiscal factors and the number of reported benefits.

and sometimes job openings targeted at Dibao recipients. The entertainment category refers to benefits such as tickets to movies, amusement parks, and other diversions. Burial and funerary benefits refer to waivers and subsidies for various types of burial expenses. Benefits in the elderly category includes waivers of personal contribution for old age pension programs, access to old persons homes, and sometime direct cash subsidies with age limitations. Transportation benefits are subsidies to reduce expenses related to public transportation.

In terms of limitations on the scope of beneficiaries, 58 percent of ad hoc benefits did not specify a limit to the number of Dibao households that could receive the benefit, while remaining reports detailed either a specific ceiling to the number of possible recipients among Dibao households or described the amount of benefits as limited. However, even if a limit to the number of recipients is not explicitly publicized, there is still likely to be a limit to the number of ad hoc benefits available.¹³ Finally, 70% of ad hoc benefits were not targeted to any specific type of Dibao household, but 13% were limited to Dibao households with children meeting certain characteristics (e.g., in school, single parent, disabled) and 5% were limited to Dibao households with elderly members. For the remaining 12% of ad hoc benefits targeted at specific populations, a range of specific categories—women, workers, the disabled—are included.

3.3.2 Sensitive Time Periods

There are two ways of determining *when* the threat of disruption is high. The first relies on specific information obtained through surveillance about the timing of planned disruptions. The second relies on heuristics of when protest is likely. Since localities can have varying levels of surveillance capabilities and since surveillance information is not publicly available, I focus on heuristics common across localities to identify what the Chinese call “sensitive” periods when threats to social

¹³Based on interviews with local officials in Beijing, Zhengzhou, and Qingdao.

order are thought to be high.

There is a prevalent view that disruption—protest, petition, collective action—are most likely to occur around the “two meetings” or *lianghui* (两会)—people’s congresses and people’s political consultative conferences, which typically occur within a few days of one another. This phenomenon is captured in the documentary *Petition*, when petitioners amass in Beijing during the Chinese People’s Political Consultative Conference and National People’s Congress to air their demands (*Petition* 2009).¹⁴ In the study *Unexpected Mass Incidents in China: Causes and Countermeasures* (中国群体性突发事件成因及对策), central and local people’s congresses and political consultative conferences are identified as times with high potential for protest (China Administrative Management Association Issue Committee 2009, 94).

Chen (2009) shows that among petitioners in one locality, 20% of petitioning events or threats of petition occurred during special events, in particular *lianghui*. The rationale for picking certain times is to “catch the attention of the local leaders who often attend important local events...those events are political rituals that symbolize legitimacy and stability” (Chen 2009, 463).

Local governments are reminded to be on guard prior to and during these sensitive periods. In *Strategies for Preventing and Managing Mass Incidents during the Reform Period*, Zhou writes that in order to prevent protest, officials “need to be diligent during sensitive periods...it is very likely that some people will take the opportunity to organize...and emotions can be easily stirred up again” (“做好敏感时期工作...很可能有一部分人借机扩大事态...会引发群众情绪的重新发作”) (Zhou 2008, 588).

Based on conversations with government officials from civil affairs and finance departments as well as academics involved in the process of determining Dibao policies in Beijing, Wuhan, and Zhengzhou, interviewees describe ad hoc benefits for Dibao households as a way for local

¹⁴The documentary was filmed from 1996 to 2008; since the 2008 Olympics, this practice has been largely suppressed in Beijing.

governments to help preempt disruption during sensitive periods. Because ad hoc benefits can be distributed without going through a formal budgetary process, they are easy and flexible to implement. According to a department head of a city civil affairs bureau, ad hoc benefits are distributed before *lianghui* to preempt social unrest, and to ensure that “these events proceed smoothly...and the masses are passive” (“群众的安抚”).

To measure these sensitive time periods, I collect the date and duration of *lianghui* meetings for each city and for each year using baidu.com search. Since *lianghui* meetings are significant events for politics as well as policy, details of all meetings are easily found. *Lianghui* tend to occur toward the beginning of the year, and are sometimes close in date to Chinese New Year, which is based on the lunar calendar. Benefits are often distributed ahead of Chinese New Year, and while the logic of distributing benefits before Chinese New Year could also be related to mitigating threats of disorder, there is a deep tradition of gift giving before this major holiday (Qian, Abdur Razzaque and Kau 2007; Yau 1988); as a result, benefits distributed before Chinese New Year may also be aimed at shoring up general support toward the regime. To eliminate this potential confounding effect, *lianghui* meetings that occur 20 days or more days away from Chinese New Year are the focus of the analysis.¹⁵

3.3.3 Ethnicity and Perceived Threat of Protest

Similar to using heuristics to identify time periods when threat of disruption is believed to be high, I also use heuristics commonly held by government leaders as a way of identifying perceived potential for disruption among localities. Specifically, I use beliefs related to ethnicity to measure perceived threat of disruption.

Ethnicity has been identified by the CCP as a potential source of social disruption. Although

¹⁵Excluding *lianghui* close to Chinese New Year would not bias results in favor of the preemption hypothesis; if anything, it reduces the power of the analysis.

events over the past few years in Tibet and Xinjiang have brought ethnic conflict to the attention of Western observers, Chinese leaders and academics have long been concerned with latent discontent in areas with greater ethnic diversity. One of the main findings of the book *Unbalanced Development in China's Western Minority Regions: Research on Early Warning Systems and Social Stability* (中国西部少数民族地区发展失衡、预警机制与社会稳定研究) concludes that minority areas have “relatively more hidden dangers to security” (安全隐患较多).¹⁶ Chinese academics Wang and Li (2013) write that because there is greater tension between groups in minority areas, there are significant “hidden dangers to social harmony and stability” and “latent menaces” (社会和谐稳定埋下了较大隐患，形成了潜在的威胁) (Wang and Li 2012, 24).

While ethnicity is not the only factor that could influence perceptions of the threat of disorder, I focus on ethnicity because it is least likely to be correlated with redistributive efforts for non-strategic reasons. If I were to use inequality as a measure of potential disruption, and I find a correlation between the level of inequality and the distribution of ad hoc benefits, this correlation could be due to a variety of reasons, including efforts to mitigate discontent as well as efforts to lessen inequality. If I were to use government corruption as a measure of potential disruption, correlation between corruption and the distribution of benefits could mean that benefits are used to mitigate potential threats or that the distribution of benefits provides additional opportunities for malfeasance.

I utilize two measures of ethnicity as proxies for the perceived potential for disruption: 1) the number of different ethnic groups in a locality, and 2) the population share of ethnic groups suspected of having a propensity for protest. I use these two measures because they are unlikely to be confounded by the economic circumstances of minorities and unlikely to be related to the regime's commitment to affirmative action for minorities. Minorities are often economically disadvantaged. Using the total population share of minorities could reflect efforts to improve the economic plight

¹⁶See <http://bit.ly/1AyoDbA> (Retrieved December 4, 2014)

of these groups. Similarly, minorities are often the designated recipients of affirmative action so total population share of minorities could reflect affirmative action for minorities in accessing benefits.¹⁷

The number of different ethnic groups captures the extent of ethnic diversity in a locality. Ethnic diversity is cited as an area of concern for social stability in official government sources, so ethnic diversity is a possible heuristic Chinese officials use to estimate the potential for disruption.¹⁸

The population share of minorities suspected of having a propensity for protest also captures the perceived threat posed by ethnic minorities. Among Chinese leaders, there is the belief that certain minorities, such as Uyghurs, have a higher propensity to protest, while other minorities, e.g., Zhuang, Tujia, Gaoshan, are not suspected of having this propensity.

Data on the number of ethnic minorities groups for the 36 cities is drawn from the 2010 census. The CCP recognizes 56 ethnic groups, including the Han and 55 ethnic minorities. While data on ad hoc benefits spans 2008 to 2013, the use of 2010 data is justified as ethnic composition is unlikely to experience dramatic changes from year to year in light of China's restrictions on residential mobility.¹⁹

The population share of ethnic minorities suspected of having a propensity to protest is also based on 2010 census data. In order to determine which minorities are suspected of having a propensity to protest, I combine the opinions of experts with how frequently each ethnic minority is associated with the issue of social stability media reporting. I consulted academics and government experts who deal with issues of ethnic minorities in China, asking them to identify which of the 55 ethnic minorities are perceived to be prone to protest. Minorities identified by more than two

¹⁷I do not find any ad hoc benefits that are targeted at specific ethnic minorities.

¹⁸For examples, see speeches by Jiang Zemin <http://bit.ly/1LSypIT>, Hu Jintao <http://bit.ly/1KII7Su>, and Xi Jinping <http://bit.ly/1zmwbF> (Retrieved January 29, 2015).

¹⁹As discussed in Chapter 1, access to Dibao is tied to the location of residence. Thus, if ethnic minorities are migrants in a city, they will not receive the Dibao benefits provided by that city unless they become residents. The 2010 census data shown here captures the population of individuals holding residential permits in these cities.

experts as having a propensity for protest were automatically included in the analysis. Minorities identified by only one or two experts were included if they were frequently discussed in the context of social stability based on online news results. Specifically, I calculated the proportion of online search results for each minority that dealt with stability by conducting a [baidu.com](http://www.baidu.com) search of the name of the minority, e.g., Yi (彝族), and a separate search of the name of the minority and the word stability, e.g., 彝族稳定.²⁰ Across minority groups, an average of 15% of search results dealt with issues of stability. If a minority group is mentioned by one or two experts as being perceived to be prone to protests and more than 15% of results mentioning the minority group dealt with issues of stability, the group is included in the analysis.²¹

3.3.4 Control Variables

In analyzing the distribution of ad hoc benefits across cities, control variables for the actual level of protest, the level of income inequality, fiscal capacity, and demographics are included. The inclusion of control variables is not meant to imply a causal relationship between perceived levels of threat and ad hoc benefits, but simply to establish whether there is a positive correlation between ad hoc benefits and perceived levels of threat when taking into account other factors that may be related to perceptions of threat and the distribution of ad hoc benefits.

The actual level of protest is measured using reports of protests for each city from a variety of sources.²² Sources used to identify protest include the China Labor Bulletin (<http://numble.com/>),

²⁰Searches were conducted on July 10, 2013.

²¹15 percent is used as the threshold because it is the average proportion of news results mentioning a minority group and stability. 19 minority groups are included among those suspected of having a propensity for protest. They are Daur, Dongxiang, Jing, Jino, Kazak, Kirgiz, Lahu, Mongolian, Naxi, Nu, Ozbek, Salar, Tajik, Tatar, Tibetan, Uyghur, Yi, Yugur. The majority of these groups are those residing in West and Northwest China. The groups, e.g., Yi and Naxi, based in Southwest China were identified as having a propensity for disruption due to drug trafficking, intravenous drug use, and HIV/AIDS in regions dominated by those groups.

²²Since the availability of protest data declines when going back in time, analysis of ad hoc benefits and ethnicity is based on the last full year (2012) data.

the China Digital Times, Google searches for the name of the cities in the set of 36 along with its districts and keywords related to protest and collective action, Chinese language books on collective action in China,²³ and search of sina blogs and sina weibo for the name of cities and subsidiary districts and keywords related to protest. For 2012, 241 protests were identified for the 36 cities.

The level of income inequality is measured by the proportion of the city population that fall below the Dibao line set by the city at the end of 2004,²⁴ using data from the China Urban Household Short Survey along with data from the Ministry of Civil Affairs (Chen, Ravallion and Wang 2006). The China Urban Household Short Survey estimates the proportion of households with income lower than a city's Dibao line, including households that do and do not receive Dibao.²⁵

Demographics, specifically the proportion of the population not engaged in the workforce, often explain variation in welfare provision. To capture the potential effect of demographics on ad hoc benefits, I include the proportion of the population over the age of 65 using data from the 2010 census.

3.4 Results

I start by examining the timing of the distribution of benefits, then move to the relationship between benefit distribution and ethnicity.

²³Chinese language books include: *Zhongguo tufa shijian baogao [Report on Mass Incidents in China]* (2009); *Yufang yu chuzhi qunti xing shijian dangzheng ganbu duben [Prevention and Management of Mass Incidents: A Reader for Party and Government Cadres]* (2009); China Administrative Management Association Issue Committee (2009); Gao and Wu (2011); He (2010); Zhou (2008).

²⁴Alternative measures of income inequality, including average urban household income in 2010 and urban-rural income inequality in 2010, do not change the substantive results.

²⁵Since the Dibao line accounts for local costs of living, this measure captures the proportion of the city population who are impoverished based on local standards. This number differs from the number of households who actually receive Dibao so that strategic considerations affecting the provision of Dibao do not affect this measure.

3.4.1 Distributing Benefits Before Sensitive Time Periods

Using the data of ad hoc benefits, I find that more benefits are distributed before than after sensitive periods when the regime believes protests are likely to occur. Figure 3.3 is a density plot of the number of ad hoc dibao benefits distributed prior to, during, and after *lianghui* meetings for the 36 cities, for all years. The left panel includes all *lianghui* meetings while the right panel only

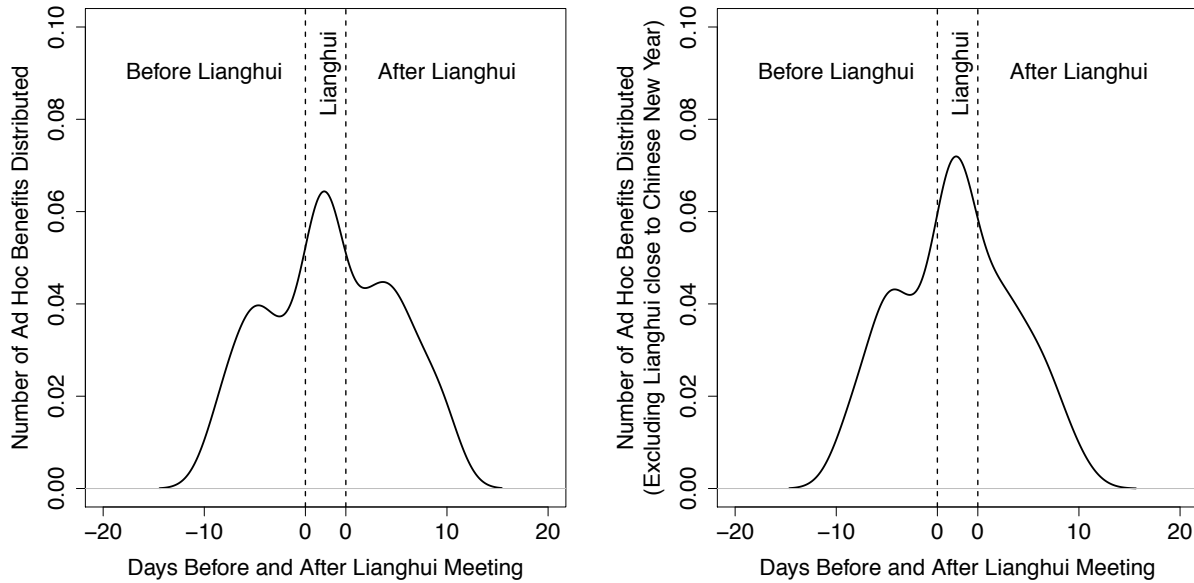


Figure 3.3: Histogram of Dibao benefits given before, during, and after all city *lianghui* meetings (left panel) and for meeting occurring 20 or more days away from Chinese New Year (right panel).

includes *lianghui* dates that are 20 or more days away from Chinese New Year. Because benefits are often distributed prior to Chinese New Year and city-level *lianghui* meeting are often close to Chinese New Year, analysis of *lianghui* meetings that are not confounded by the timing of Chinese New Year provide a cleaner test of the timing of benefits in relation to politically sensitive periods where protest is perceived to be more likely. Both plots show that a larger number of benefits are distributed prior to and during *lianghui* meetings than after. The result is striking when *lianghui* meetings are disentangled from Chinese New Year. As the right panel of Figure 3.3 clearly shows,

more benefits are distributed prior to *lianghui* sessions than after.

The difference between benefits distributed prior to and during *lianghui* and benefits distributed after *lianghui* is statistically significant at the 5% level. Figure 3.4 shows the difference in the number of ad hoc benefits for all *lianghui* meetings and for *lianghui* meetings occurring 20 days away from Chinese New Year. Based on a t-test, it is 38% (18% - 58%) more likely that benefits

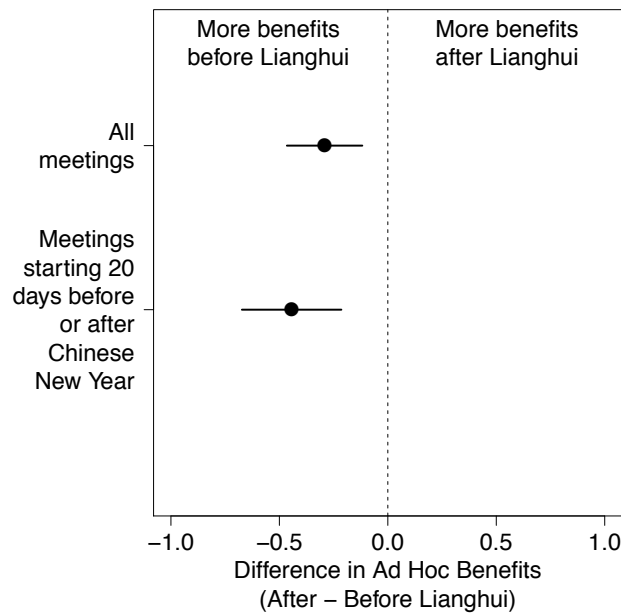


Figure 3.4: Difference in the number of ad hoc benefits distributed after *lianghui* and before *lianghui*. 95% confidence intervals based on a t-test are shown.

are distributed before or during *lianghui* than after. When controlling for Chinese New Year, it is 52% (26% to 78%) more likely that benefits are distributed before or during *lianghui* than after.

To further verify that there is a difference in ad hoc benefits distributed before and after *lianghui*, I conduct a permutation test of the difference in ad hoc benefits in all adjacent 10 day periods, not including *lianghui* periods and Chinese New Year, for the 36 cities. The mean difference in ad hoc benefits before and during *lianghui* vs. after *lianghui* is significantly larger than the mean difference in ad hoc benefits between other time periods of similar duration (p-value 0.004).

In addition, the mean number of benefits distributed before and during *lianghui* is larger than the mean number of ad hoc benefits distributed in any other 10 day period (p-value 1.369e-11).

This analysis reveals that across 36 of the largest Chinese cities, ad hoc benefits are much more likely to be distributed before than after periods of time when the regime believes collective action to be most likely. This suggests that benefits are more likely intended to decrease the incentives of individuals who may engage in protest during these times, and less likely to be intended for individuals who engaged in activities like protest or collective action during these sensitive time periods.

3.4.2 Distributing Benefits Where Fear of Protest is Higher

Ethnic Diversity: I examine the relationship between the number of different ethnic groups in a city and the total number of ad hoc benefits distributed in 2012. The left panel of Figure 3.5 shows the number of ad hoc benefits distributed in 2012 and the number of non-Han minority groups from the 2010 census for each city. There is a strong positive relationship between the number of ethnic minorities and the number of ad hoc benefits that are distributed. The right panel of Figure 3.5 focuses on ethnic diversity and the number of ad hoc benefits distributed prior to *lianghui* meetings.²⁶ The right panel also shows a positive relationship between ethnic diversity and the number of benefits.

This positive correlation between benefits and ethnic diversity lends support to the idea that Dibao benefits are intended to mitigate the perceived risk of potential disruption. A greater number of benefits are distributed in locations with a greater diversity of ethnic groups, where disruption and disorder are perceived to be more likely to occur.

This positive relationship between ethnic diversity and ad hoc benefits remains after controlling

²⁶For *lianghui* meetings that occur 20 or more days away from Chinese New Year.

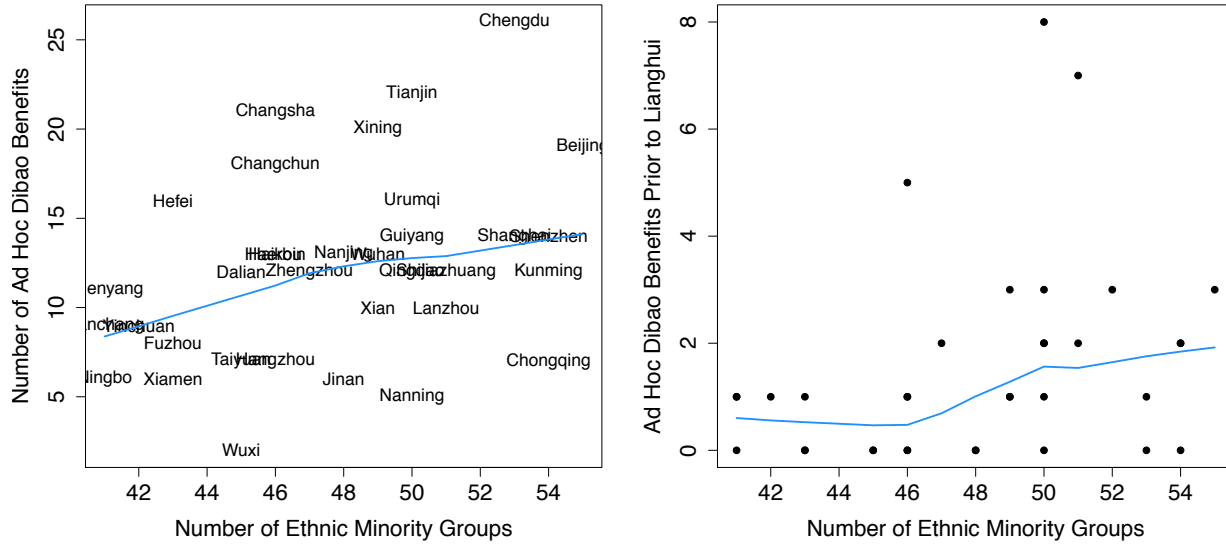


Figure 3.5: Plot of ad hoc benefits and the number of minority groups with lowess line (left panel); plot of the benefits distributed before lianghui and the number of minority groups with lowess line (right panel)

for a city's level of poverty, fiscal revenues, share of population over the age of 65, and the actual number of protests that took place in 2012. Figure 3.6 is a plot of the expected probability of all ad hoc benefits (left panel) and of ad hoc benefits distributed before *lianghui* (right panel) for different numbers of minority groups, holding a city's level of poverty, fiscal capacity, elderly population, and number of reported protests at their observed values.²⁷ In other words, Figure 3.6 shows that the positive correlation between ethnic diversity and Dibao benefits—including all ad hoc benefits distributed in 2012 as well as the subset of benefits distributed prior to *lianghui*—cannot be attributed to economic needs within the city, the fiscal capacity of the city to pay for welfare programs, the demographic needs of the city population, or the actual level of protest reported in the city.

²⁷Expected probabilities of ad hoc benefits based on OLS regression of the number of ad hoc benefits distributed in 2012 on the number of minority groups. Coefficient estimates for this model can be found in Appendix A.1.

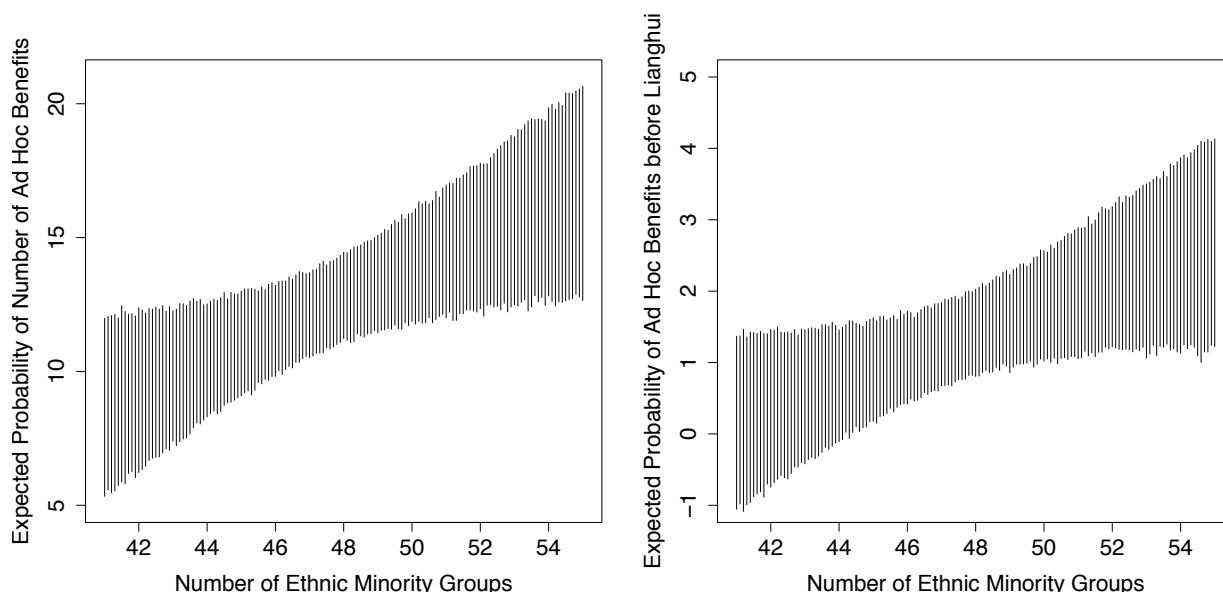


Figure 3.6: *Plot of minority groups and expected probability of ad hoc benefits with 95% confidence intervals (left panel); lot of minority groups and expected probability of ad hoc benefits with 95% confidence intervals (right panel)*

Ethnicity and Perceived Propensity for Protest: When examining the population share of ethnic groups perceived to have a propensity for protest, we also see a positive relationship with the distribution of ad hoc benefits. Since the population share of ethnic groups suspected of having a propensity for protest does not correlate with the total population share of ethnic minorities, the positive relationship is unlikely to be due to affirmative action or preferential access of minority groups to welfare programs.

The left panel of Figure 3.7 shows the relationship between ad hoc benefits distributed by cities in 2012 and the proportion of the city represented by minority groups perceived to have a propensity for protest in 2010. We see a clear positive relationship between perceived propensity of protest and the distribution of ad hoc benefits. This relationship cannot be explained by affirmative action toward minorities in general because there is a low correlation (0.23) between a city's proportion of ethnic minorities and a city's proportion of ethnic minorities perceived to have a high

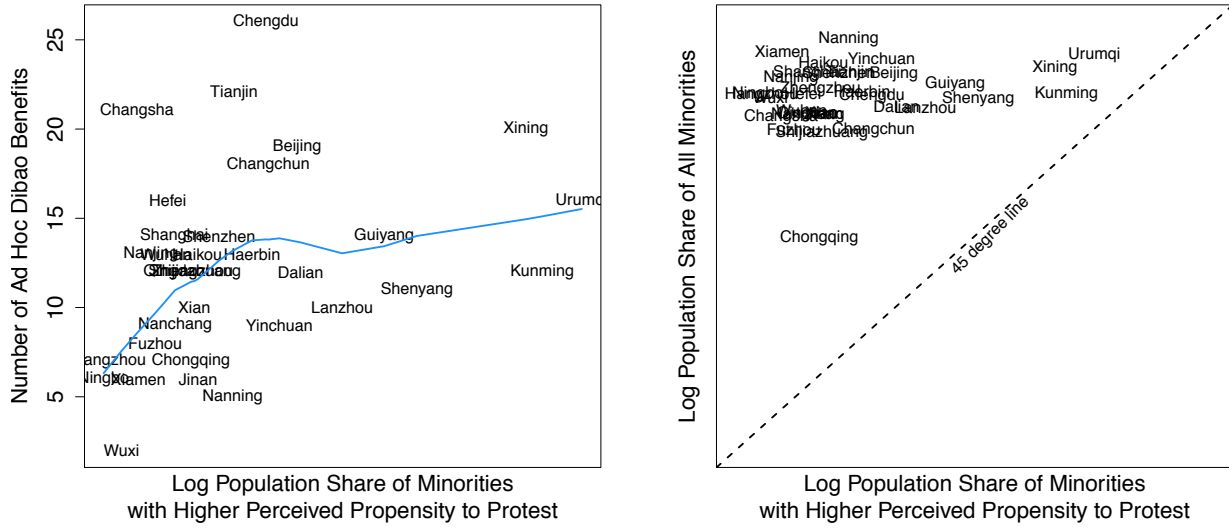


Figure 3.7: Plot of ad hoc benefits and log population share of minority groups perceived to have high propensity to protest with lowess line (left panel); plot of log population share of minorities and log population share of minority groups perceived to have high propensity to protest (right panel)

propensity for protest (see right panel of Figure 3.7).

This positive relationship between perceived propensity for protest and ad hoc benefits also remains after controlling for a city's level of poverty, fiscal revenues, share of population over the age of 65, and the actual number of protests that took place in 2012. Figure 3.8 is a plot of the expected probability of ad hoc benefits given different population proportions of minorities perceived to have a high propensity to protest, holding a city's level of poverty, fiscal capacity, elderly population, and number of reported protests at their observed values.²⁸

²⁸Expected probabilities of ad hoc benefits based on OLS regression of the number of ad hoc benefits distributed in 2012 on log population share of minorities perceived to have a high propensity for protest. Coefficient estimates for this model can be found in Appendix A.1.

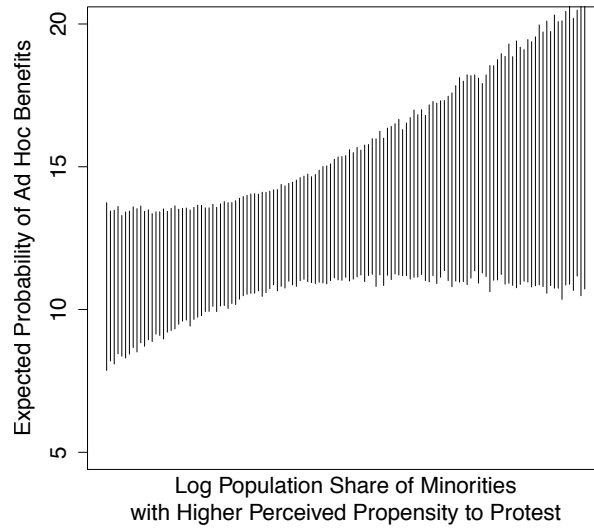


Figure 3.8: *Plot of population share of minorities with high perceived propensity for protest and expected probability of ad hoc benefits with 95% confidence intervals*

3.5 Summary

Descriptive analysis of the timing and regional variation of ad hoc benefits shows that benefits distributed to Dibao households are aimed at preempting disruptions to social order by decreasing incentives to engage in disruptive behavior. Using commonly held heuristics to identify periods of time when disruption is more likely to occur, I find that ad hoc benefits are promulgated prior to key political meetings, when the regime believes protest is more likely to occur, not after these periods. Distributing benefits before rather than after these sensitive periods suggests that Dibao is intended to decrease incentives to engage in protest before threats can manifest rather than to pacify individuals who have protested.

Using the heuristic of ethnicity as a proxy for the perceived threat of protest, I find that localities with larger numbers of ethnic groups and those with larger population shares of ethnic groups perceived to have a propensity for protest are the places that distribute greater amounts of ad hoc

benefits. This positive relationship between perceived propensity for disruption and ad hoc benefits suggests that benefits are not intended to boost general regime legitimacy among supporters, and are instead targeted toward potential disrupters. Furthermore, this positive correlation persists after controlling for a city's level of poverty, fiscal capacity, demographic characteristics, and reports of actual protest.

The analyses in the chapter rely on heuristics to gauge when and where disruptions are more likely to occur. Presumably, localities have more specific information, collected through surveillance, about when disruption could occur, and perhaps this more specific information would explain more of the bursts and concentrated periods of benefit distribution shown in Figure 3.2. In the next two chapters, I turn to distribution of welfare benefits under conditions where the regime does have specific, individual-level information about Dibao applicants and recipients.

Chapter 4

Dibao Applicants and the Threat of Collective Action

This chapter explores government responsiveness to different types of Dibao applicants using an online field experiment, and finds that responsiveness is substantially higher for Dibao applicants who threaten to engage in collective action than those who simply describe their economic hardship. In order for selective welfare provision to reach individuals who have the potential to disrupt social order, information is needed to identify these individuals. One type of information that can be used to identify potential disrupters is complaints. In the process of complaining about government services or policies, individuals reveal information about themselves that allow the regime to determine whether they are likely to engage in disruptive behavior in the future.

I make use of complaints as a channel for information gathering by conducting an online experiment where requests for assistance in applying for Dibao that do and do not contain threats of collective action were randomly assigned to different counties. If Dibao is intended for individuals who have the potential to disrupt social order, then applicants who self-identify as a possible threat should be prioritized. However, if Dibao does not have this instrumental purpose, we should not

see any difference between responsiveness to applicants who identify themselves as threatening to social order and those who do not. Through an experiment, I find that threatening collective action causes local government to be 30% more responsive to the requests of Dibao applicants, and nearly 50% more likely to provide publicly viewable responses as well as the most informative responses to demands for Dibao.

4.1 Methods of Information Gathering

All types of regimes invest in surveillance capabilities in order to identify potential threats of disruption, but authoritarian regimes face a particular imperative to understand the private preference of their subjects because private preferences are more likely to diverge from publicly expressed preferences in environments without freedom of speech and with repression. A great deal of information can be inferred from behavior, but when the information the regime requires—whether someone has the potential to engage in socially disruptive behavior—cannot always be inferred from behavior, then the regime must obtain information related to mindsets and attitudes.

Authoritarian regimes utilize a large number channels for gathering information about the preferences of individuals that encompass many types of information (Dimitrov 2014^{b,a}; Stockmann 2013). I organize channels along two dimensions (see Figure 4.1), which relate to their effectiveness in surfacing private preferences, and the ease of implementation.

The first dimension relates to whether the information gathering process is covert or overt in relation to the subject of the inquiry—in other words, whether or not the person about whom information is being gathered is aware of the information gathering or transmission process. When information is collected through public opinion polling or surveys, it is clear to respondents that information is being gathered about them. Similarly, when journalists conduct interviews as part of an investigation, it is also clear to interviewees that information is being gathered from them.

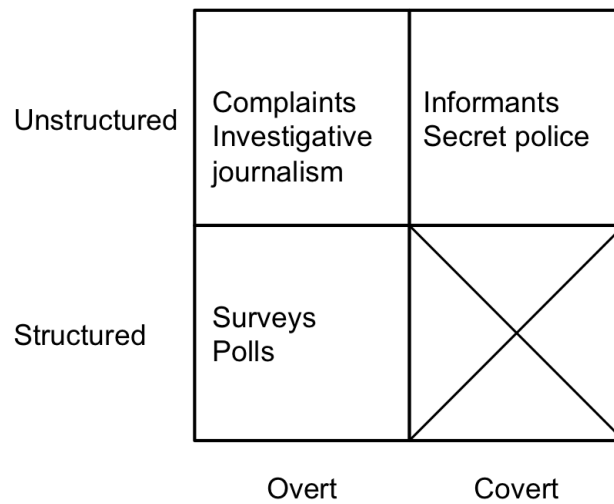


Figure 4.1: *Typology of information gathering channels with examples*

For complaints, even if the individuals complaining are not aware that their complaints are part of a systematic information gathering process, they are consciously engaged in transmitting information about themselves. Covert processes of information collection take place when information that is assumed to be private is transmitted to the regime. For example, an informant has a conversation with a person that the person assumed would be private. When that information is transmitted from the informant to the regime, the person in question is unaware that information has been gathered. Other examples of covert information gathering including wire tapping as well as covert collection of information from computers and other electronic devices.

The second dimension relates to the structure of information—whether or not the bounds of information being gathered are predefined. Structured information is information where the boundaries of questions and answers have been delimited by the regime or by whoever is gathering information on behalf of the regime. Surveys gather structured information. For open-ended questions, the scope of the question is pre-defined, and for close-ended questions, the scope of both the question and the answer have already been delimited. Unstructured information does not come with these constraints. Typically, unstructured information is volunteered rather than solicited.

Different methods of information gathering differ in terms of their effectiveness in identifying private preferences. Overt, structured methods of information gathering such as public opinion polling and surveys may yield insights, but can miss critical issues that the regime is unaware of. Overt, unstructured methods of information gathering such as complaints filed by individuals or independent reports of concerns can bring new problems to the attention of the regime. However, because these channels are overt, they run into natural limitations given the incentives for preference falsification and insincere loyalty. Dimitrov (2014*b*) notes that despite disincentives to complain, complaints are highly prevalent across authoritarian regimes when there is trust in the central government. In other words, complaints are aimed at the central authority believed to be legitimate even when trust in local governments is low. Because complaints often relate to “matter-of-fact requests for services or benefits rather than hollow ritualistic displays of loyalty to the party,” they provide useful information about individuals to the regime (Dimitrov 2014*b*, 275). However, despite the advantages of complaints as a channel for collecting information, individuals who pose the most serious threats, for example those planning a large-scale protest, have incentives to hide their intentions and perhaps even to hide the grievances motivating their actions from the state. In order to identify individuals who are actively concealing their true preferences, covert means of obtaining unstructured information such as informants and electronic surveillance are more effective.

More effective means of gathering information are typically more difficult to implement. For example, it is easier to conduct an annual opinion poll, a structured and overt method of information gathering, than to constantly monitor complaints, an unstructured and overt method of information collection. Similarly, it is easier to monitor complaints than to have a large network of informants who can penetrate the private lives of individuals, an unstructured and covert method of information collection.¹

¹The difficulty of using informants is discussed in greater detail in Chapter 5. Technology may change the dynamic

4.1.1 Online Channels for Gathering Complaints

This chapter focuses on an overt but unstructured channel for information gathering: complaints made through online channels. In China, complaints can be funneled to the state in many different ways: by visiting a government office in person, by telephone, and increasingly via online technologies such as email, web forums, or microblogs (Chen 2011). As a regime where support for the central government remains high, complaints are transmitted to the regime at a high frequency. According to Chinese government data, in the 2000s, complaints numbered well over ten million each year (Dimitrov 2014*b*).

In 2007, China's State Council promulgated the "Open Government Information Ordinance" (OGI), which required county and higher levels of government to increase transparency and to put into place channels for interacting with citizens. As part of this initiative, the majority of local governments in China have set up government web portals, which contain online forums where individuals can submit questions or comments (Meng, Pan and Yang 2014; Pan 2013). Figure 4.2 shows the "government-citizen interaction" (政民互动) page of the Changsha city government website, which is very typical of online portals soliciting complaints. The page contains several ways for individuals to interact with the local government, and for visitors to see a curated set of questions and issues that others have raised. On the top of the column on the left is a video of an interview with the vice director of a district government office. On the top of the main column is the "mayor's mailbox" (市长信箱), a government forum utilized by Changsha to collect inquiries and complaints.² The description of the mayor's mailbox reads:

of information gathering, for example making covert collection of personal information much easier. This is discussed further in the Conclusion.

²Mayor's mailboxes are sometime venues for private message from individuals to the government. In the case of Changsha, content submitted to the mayor's mailbox is publicly viewable, so the mayor's mailbox acts as the government forum. For list of comments and suggestions which are public, see <http://www.changsha.gov.cn/zmhd/szxx/>. In other localities, sometimes there is a forum for submitting questions that may be made public in addition to a mayor's mailbox that facilitates private messages.

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在线访谈



访谈主题: 天心区电子政务外网平台建设

访谈时间: 2014-12-31

访谈主题: 市天心区政府办副主任、区电政办主任彭勃

访谈简介:

近年来,在省经济研究信息中心、市电子政务办等上级部门的悉心指导,在区委、区政府的高度重视下,天心区电子政务办始终坚持信息化带动战略,推进电子政务建设,努力建设“智慧城区”,电子政务网络平台建设进展顺利。为了方便广大网...

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· 宁乡县八一路禁停标志问题反映	2015-01-21	宁乡县	
· 福元路清水塘三小附近的人行天桥什么时候建	2015-01-21	市城管执法局	
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Figure 4.2: Changsha government web portal citizen interaction page

The “Mayor’s mailbox” is an electronic email service set up by the Changsha Municipal People’s Government on the city government portal to accept comments and suggestions from citizens, legal persons and other organizations related to the Changsha Municipal People’s Government and associated departments. Your letter will be assigned and forwarded to the responsible departments after validation, and after a certain period of time, the response and result will be posted to the Changsha city government portal. Changsha’s development cannot be separated from your wisdom and contribution, your comments and suggestions on the construction and development of Changsha are welcome.³

Below the description of the mayor’s mailbox are recent questions that have been submitted. Further below in the main column are four other topics, from left to right and top to bottom, they are: “consultation and complaints” (咨询投诉), which specifically focus on complaints, frequently asked questions (常见问题解答), public opinion polls (民意征集), and reports of responses to issues raised (民意征集结果). The Changsha website specifies the types of comments that will be addressed, but typically there are no automatic rejections of posts based on content. However, across government portals, posts are almost always reviewed by website administrators before they are made public (Chen, Pan and Xu 2014; King, Pan and Roberts 2014).

Complaints on government portals range from clarifications on issues of policy to reports of government malfeasance, and there is ample evidence that the CCP regime and local officials take complaints expressed through these online websites very seriously. Leaked email archives from two local propaganda departments in Jiangxi show how propaganda officials carefully screen online forums for content relevant to the locality, how they respond to complaints in writing, how

³“市长信箱”是长沙市人民政府在长沙市政府门户网站向社会公众设立的电子信箱，受理公民、法人和其他组织对长沙市各级人民政府以及政府工作部门的意见和建议的网上窗口。您的来信我们将通过审定、转发程序向有关责任职能部门交办，并在一定的时限在长沙市政府门户网站向您反馈处理意见或结果。长沙的发展离不开您的智慧与贡献，欢迎您对长沙的建设和发展提出宝贵意见和建议。

they bring issues, especially those related to protest and collective action, to the attention of top government and Party officials, and how relevant agencies are asked to respond and investigate issues in their domain.⁴ Complaints posted to government websites are reviewed by the staff of a local online information management office, which is also the entity that manages the content of the government portal. This online information management office typically reports complaints to the local propaganda department, which identifies patterns of public sentiment and aggregates insights. The propaganda department then transmits what it believes are the most important issues pertaining to public sentiment to top government and Party officials of the locality on a regular basis.⁵

Since local governments use online complaints as a way of gathering information, by submitting requests for assistance in obtaining Dibao to local government websites and measuring their level of responsiveness, we can determine what factors can change government responsiveness, and whether higher levels of responsiveness are associated with potential disruptions to social order.

4.2 Experimental Design

Among 2,869 Chinese counties, online government forums were identified for 2,227 (77%), and 2,103 (73%) forums were functional.⁶ For all counties with government websites, a detailed set of characteristics was recorded, including whether the website contains a public online forum or a place to contact local officials, as well as the requirements for posting to the forum or contacting officials.⁷ A request for assistance in obtaining Dibao was submitted on public forums of the gov-

⁴See <https://xiaolan.me/50-cent-party-jxgzg.html>.

⁵This process is based on emails found in the leaked email archives, as well as through my fieldwork.

⁶In the 124 counties with non-functional forums, attempts at submission led errors in page loads after a lengthy wait. In each of these cases, at least three attempts were made at submission using different browsers.

⁷Government web portals may contain several methods of contacting the local government. Often there is a “mayor’s mailbox,” an email or online form where issues submitted are not publicly viewable. Besides, there is often a discussion forum with publicly viewable posts, replies, and discussion threads. I utilize publicly viewable

ernment website. The posting process, as well as various dimensions of the government response were recorded. All posts were made from within China, and submitted outside of the *lianghui* period to avoid posting during a sensitive time period and one during which local officials are likely to have a larger workload. Then, the forums were checked 10 and 20 business days after the date of submission for responses by at least two members of the research team for validation, and both the date checked and the date of the responses were recorded.⁸

The outcome of interest is responsiveness, which is measured in four ways after the initial post was submitted. The first measure is whether there was a response;⁹ and if there was a response, when the response was given, whether the response was viewable by the general public,¹⁰ and finally, the specific content of the response. Together, these measures provide a dichotomous, continuous, and categorical measure of responsiveness

4.2.1 Treatment Condition

To test whether threats of collective action have an effect on responsiveness to Dibao applicants, two types of posts are composed—a control condition and a treatment condition, identical except that the treatment condition contains a threat of collective action. The control condition is as follows:

Respected leader:

My wife and I have lost our jobs, and we have been unable to find work for a long time. Our economic situation is very difficult, and we cannot make

forums instead of private messaging options.

⁸90.5 percent of the replies on government web portals include the date on which the reply was posted.

⁹If a request for more information is the response, that is coded a response. The protocol is to not provide further information to the government entity.

¹⁰Based on pre-testing and previous research, responses can be made privately or only viewable to the individual submitting the request (King, Pan and Roberts 2014).

ends meet. We have to support my elderly mother who is ill and for whom we have to buy medicine. We also have our son who is in school and has school fees and living fees that are difficult to bear. I have tried to apply for Dibao through my residents' committee, but they say I am not eligible.

Can you help my family obtain Dibao? Much gratitude!

Yours,

[Common male name]

This inquiry is phrased to demonstrate some knowledge of Dibao, to increase the diversity and richness of government responses and to maximize the likelihood of a more personalized response. For example, the request states that the head of household and his wife have been unable to find work. This signals that the lack of employment is not due to lack of effort. As well, the inclusion of an elderly, ill mother and school-aged child emphasizes the economic hardship faced by this household, making the household a more likely candidate for Dibao status. Finally, the inquiry states that the applicant has been turned down by the residents' committee. This again demonstrates a certain level of knowledge about the Dibao program, and decreases the chances that replies will simply tell the applicant to go to the residents' committee.

In the treatment conditions, the threat of collective action is inserted at the beginning of the new paragraph prior to the phrase "Can you help my family obtain *Dibao*?" To test the effect of threats of collective action on responsiveness, the following two sentences are added:

People around me are in a similar situation, they face difficulties, and they also can't get *Dibao*. If you can't help, we'll try to figure out what we can do together about this situation.

Note that while this treatment is called a threat of collective action, the threat is oblique. This is intentional due to ethical as well as theoretical considerations. If a strongly worded threat was used, this could lead the local government to investigate the post, resulting in greater use of government resources. As well, a strongly worded threat could cross the line from a potential disrupter to someone who is ill-behaved, and since my interest is in potential disruptions, a weaker treatment is preferred even if it has the potential to lessen the treatment effect.

These two types of posts were randomly assigned to county government web forums stratified by prefecture so that counties within the same prefecture did not receive the same request. The posts were written to be similar in tone and length to existing content found on online government forums. Both conditions were pre-tested with Chinese citizens and officials to fine-tune their appropriateness for an online forum and their relevance to the concept tested. Because of the fragmentation of local government websites and more generally of county governments in China, it is very unlikely that officials in one county would realize that a similar post appeared in another county during our experiment. Moreover, because forum content that is public is not indexed by search engines, and because questions about social welfare and Dibao are among the most common types of questions found on government forums, the likelihood of identifying the posts in the experiment was low.

4.2.2 Ethical Considerations

This experiment entailed the use of deception to protect human subjects, to minimize disruption to the system being studied, and to protect the safety of the research team. The human subjects aspects of our experimental protocol were pre-approved by the university's Institutional Review Board.

One of the guiding principles in conducting this research was to minimize disruption to the

system being studied. Since the experiment entailed submitting requests to government managed websites, this meant minimizing the use of government resources. The submitted requests ask for government action in the form of a written response. Based on the subject of the inquiry, pre-testing, and analysis of online forums, it is unlikely that local governments would take any action beyond writing a response, and this prior expectation was borne out by the experiment. The subjects of the research, those responding to requests on government forums, were not debriefed in order to minimize the time government administrators would spend reading and potentially responding to a debrief notice. Minimizing disruption also involves making sure that future posts, whether from individuals or other researchers, are taken seriously. By not debriefing the subjects, disruption to government and risks to future applicants of the Dibao program are reduced.

To protect the safety of the research team and for logistical reasons, confederates were not used to submit informational requests. If confederates had been used, they would have needed to be individuals from households who qualify for Dibao in each of the localities where the experiment was conducted. Given the scope of the experiment, it would have been extremely difficult and costly to recruit the appropriate number of confederates, and confederates with similar enough characteristics to support our experimental design. In addition, by not using confederates, the potential for inconvenience that confederates submitting the information requests might face is eliminated.

4.2.3 Randomization and Balance

Randomization was conducted within prefectures to minimize the risk of detection. This treatment assessing the causal effect of threatening collective action was part of a larger experiment testing two additional factors for responsiveness (Chen, Pan and Xu 2014). As a result, a quarter of China's 2,869 counties were assigned to the treatment condition (717) and a quarter to the collective action

treatment condition (718). Figure 4.3 visualizes the random assignment spatially. In this figure, the boundaries denote all 2,869 counties in mainland China. Counties assigned to the control conditions are yellow and those assigned to the treatment condition are in green.

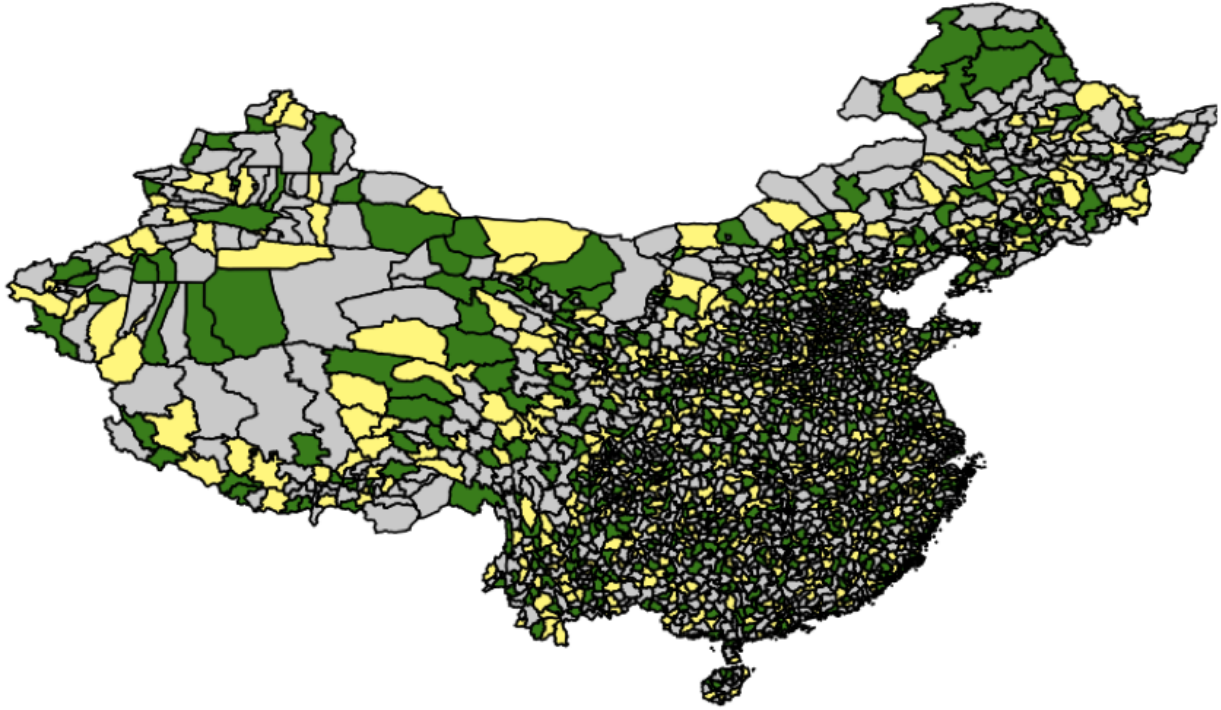


Figure 4.3: *Treatment assignment map of mainland Chinese counties with counties receiving collective action threat treatment in green, and control counties in yellow*

Table 4.1 shows the covariate balance across the control and collective action treatment groups on a number of different demographic, economic, and fiscal factors. Demographic variables include population in 2000 and 2010, population density, gender ratio, the scope of the migrant population, the percent of households with urban (or non-agricultural) residential permits, the percent of permanent urban residents (resident with urban *hukou*), average years of education, literacy rates, the unemployment rate, the proportion of the work force concentrated in agriculture, industry, and service sectors, as well as the proportion of ethnic minorities. Economic variables include

Table 4.1: Covariate balance between treatment and control groups

	Control	Treatment	<i>p</i> -value
Log population	12.69	12.66	0.66
Log population (2000)	12.69	12.64	0.43
Population growth (2000-10 %)	5.66	5.77	0.66
Gender ratio (female = 1.00)	105.97	105.64	0.4
Log population density (person/km ²)	14.21	14.12	0.35
Migrant (%)	0.11	0.11	0.65
Non-agriculture household (%)	19.12	18.14	0.22
Permanent urban residents (%)	0.34	0.34	0.31
Average years of education	8.15	8.08	0.37
Illiteracy rate among age above 15 (%)	7.47	7.85	0.47
Unemployment rate (%)	0.02	0.02	0.48
Work force in agriculture (%)	64.12	64.96	0.49
Work force in industry (%)	16.22	15.34	0.27
Work force in services (%)	19.66	19.4	0.67
Ethnic minority (%)	20.76	22.26	0.48
Log GDP	4.06	4.03	0.62
Log agricultural output	2.41	2.37	0.52
Log industrial output	3.16	3.12	0.64
Log services output	2.9	2.87	0.66
Log total investment	3.68	3.65	0.66
Log total saving	2.02	1.91	0.23
Log total government revenue	0.92	0.91	0.93
Log total government expenditure	2.45	2.44	0.84
Enterprises above designated size	39.81	40.58	0.86
Average nominal GDP growth (2000-10)	0.15	0.15	0.88

Note: Data are from 2000 and 2010 Census and Provincial Statistical Yearbooks.

Variables were measured in 2010 unless otherwise noted.

GDP, per capita GDP, 2000-2010 nominal GDP growth, output by sector (agricultural, industrial, services), the number of industrial enterprises above designated size (above 5 million CNY), total investment from households, enterprises, and government, as well as total savings, which is the total outstanding bank deposits of rural and urban households at the end of 2010. Finally, fiscal variables include government revenue and expenditures. As can be seen from Table 4.1, randomization is successful and the treatment is balanced across all of the above dimensions.

4.2.4 Government Web Forums Characteristics

In total, 519 posts in the control group were successfully submitted, and 525 posts in the treatment group assessing threats of collective action were successfully submitted. Figure 4.4 shows that there is balance across the control and treatment groups for whether there is a government forum and whether posts are successful.

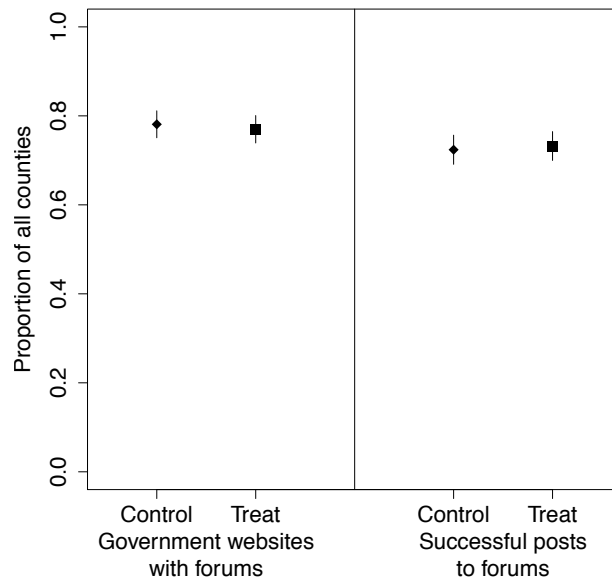


Figure 4.4: Availability of county government web forums by treatment group

For each forum, information on the characteristics of the forum was collected, including whether

existing posts and replies were publicly viewable—in other words, whether someone who does not have an account or is not logged into the site can view posts and replies. Also recorded were the dates of the most recent posts and replies. Lastly, whether posts submitted were immediately viewable, or whether the posts were first reviewed by authorities before they were released to be publicly viewable was recorded. As shown in Figure 4.5, approximately 70 percent of forums have publicly viewable posts and replies. This means that for 70 percent of government forums, any-

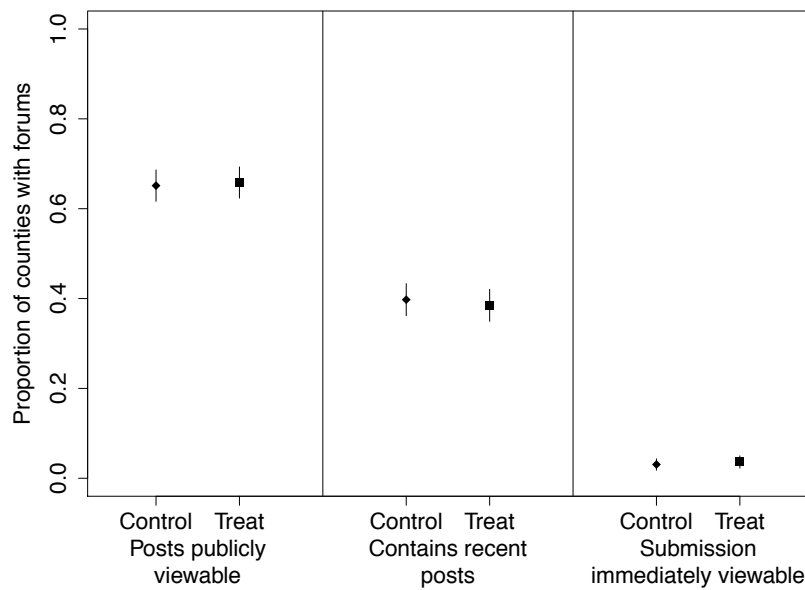


Figure 4.5: *Openness of county government web forums by treatment group*

one who visits the forum URL can view posts and replies without creating an account or logging in. Approximately 40% of forums contain posts by the local government made within the past 30 days. However, less than 5 percent of forums immediately release submitted posts. This means that the vast majority of government forums first review the content of posts submitted before the posts are released to be seen by the general public. This finding is in line with the high prevalence of review found among government websites (King, Pan and Roberts 2014). As seen in Figure 4.5, all of these forum characteristics related to openness are balanced across treatment groups.

Finally, information was collected on the requirements for submitting posts to the government forum, including whether an email address is required, whether a name is required, whether a personal identification number (身份证号) is required, whether a phone number is required, and whether an address is required. Since the information of real confederates is not used, if an ID number, telephone number, or address is required, data is randomly generated to fill in these fields. The same, common name was used in all requests, and email accounts were created for the experiment. As shown in Figure 4.6, 80 percent of government forums require users to submit a name, 60 percent require a phone number, approximately 50 percent an email address, 30 to 40 percent an address, and only 10 percent a personal identification number. Posting requirements are also

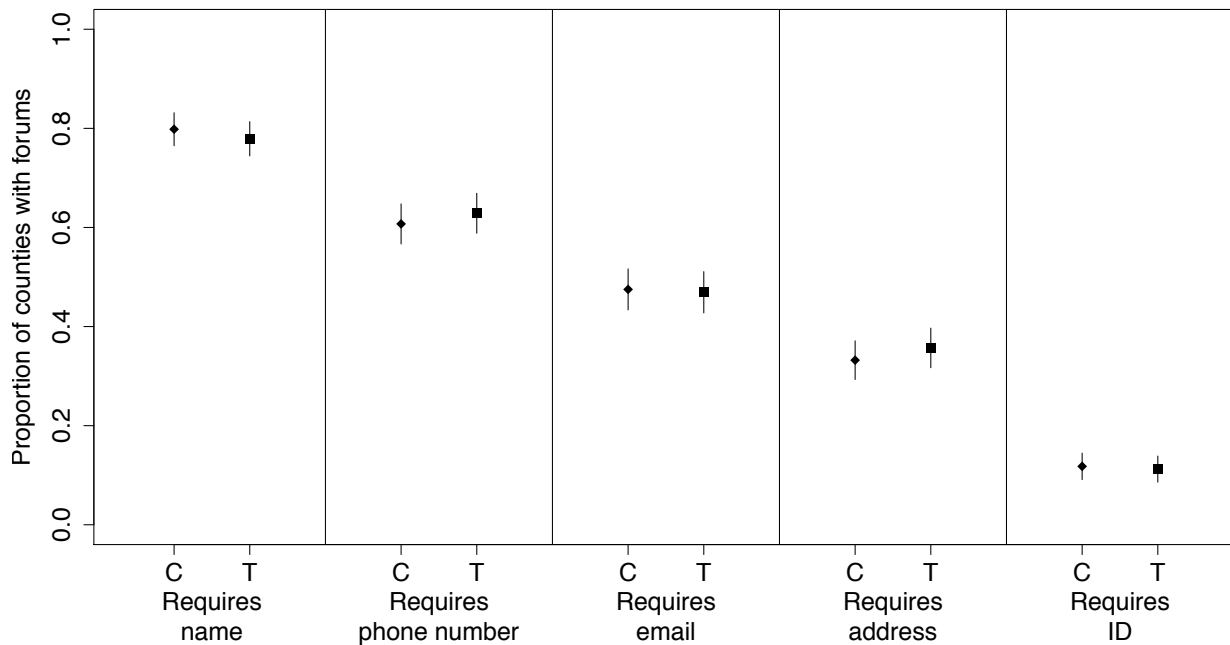


Figure 4.6: Requirements for posting to county government web forums by treatment group

balanced across the control and treatment groups.

4.3 Results

Looking at whether or not county governments responded to the requests to evaluate overall responsiveness, I find that 32 percent (95% confidence interval of 28% to 36%) of county governments responded to the Dibao request under the control condition.¹¹ In addition to overall responsiveness, I examine whether the reply to the Dibao request is made publicly viewable, or whether the response is kept private. A response is private if it is not accessible without logging into the account, or if the reply is emailed rather than posted publicly. The public response rate to the control group is 21% (95% confidence intervals of 18% to 25%).

The black dot on the left side of Figure 4.7 shows the point estimate for the causal effect of threatening collective action on whether county governments responded, and the black dot on the right side of the figure shows the point estimate for the causal effect of threatening collective action on whether governments responded publicly. The vertical lines are 95% confidence intervals.¹²

As Figure 4.7 shows, the causal effect on whether government responded to the Dibao applicant is 10 percentage points for threats of collective action. In other words, whereas only 32% of county governments responded to Dibao requests that describe the economic hardship faced by the household, 42% of county government responded to Dibao requests that describe economic hardship and threaten to engage in collective action if the government does not provide assistance in obtaining Dibao. This means that threatening collective action causes county government to be one third more responsive to the complaint.

The causal effect of threatening collective action on publicly viewable responses is also over 10 percentage points. Whereas the overall rate of public responses is 21% for complaints that only describe economic hardship, the rate of public responses for complaints that also threaten

¹¹The denominator is the county websites where requests were successfully submitted.

¹²Conference intervals shown in the figures of the results section are based on Welsh two-sided t-test. Although the data are binary, the large sample size and mean response rates mean the central limit theorem applies. Conference intervals based on alternative methods produce basically identical results.

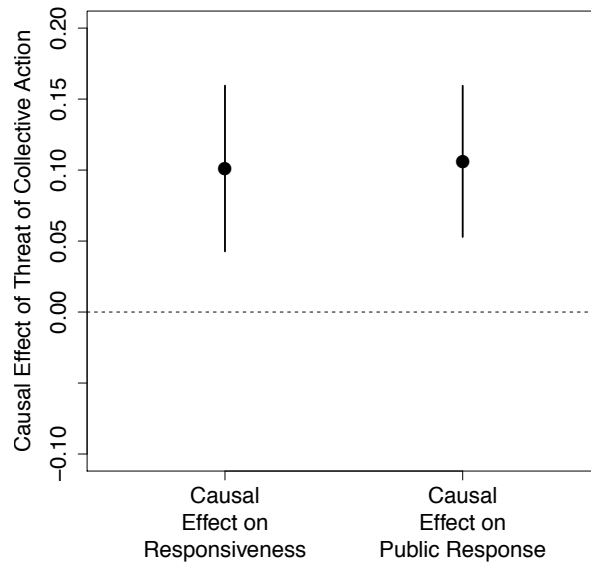


Figure 4.7: *Causal effect of threatening collective action on responsiveness and public responsiveness*

collective action is 32%. This means adding a threat of disruption to the complaint increases the rate of public responses by nearly 50 percent.

In other words, threatening collective action has a large and statistically significant impact on the level of government responsiveness to Dibao applicants. If applicants provide information that they have the potential to disrupt social order by engaging in collective action, local governments are much more likely to respond to their Dibao complaints. These results are stable to various model specifications and the inclusion of controls (see Table A.4 and Table A.5 in Appendix A.2).

In addition to whether or not governments responded and whether or not the response is publicly viewable, I examine the content of replies from county governments that responded to the Dibao complaint. Responses were hand coded into three categories: (1) Deferral, (2) Referral, and (3) Direct Information.¹³ The content of these three categories roughly increases with the length of text and likely reflects increasing effort on the part of the government respondent.

¹³Intercoder reliability for agreement in classifying response into these three categories was 99%.

Replies are coded as Deferral if the response does not provide an answer to the question of how to obtain Dibao. Sometimes a rationale for the lack of information is provided but other times none is given. Oftentimes, the government response states that some piece of personal information is missing in the complaint. Replies in the Deferral category are on average the shortest replies, and likely require the least amount of effort on part of the county government. The example below is a typical Deferral response:

Hello letter writer! Your question does not contain enough specificity, for example, your address.

Replies are coded as Referral when the government response suggests contacting another agency for further assistance, and provides the contact details of that agency. For example:

Hello, you must meet certain requirements to apply for *Dibao*, based on the situation you describe, we cannot determine your eligibility. Please consult with the department of civil affairs for *Dibao* information. Telephone: ****373.

When replies state that the initial complaint does not provide sufficient information, but also provides details on how to obtain additional resources and assistance (e.g., a telephone number), the responses are coded as Referral instead of Deferral.

Finally, responses are coded as Direct Information when the reply directly provides the information required to answer the question posted by the Dibao applicant. These replies are generally the longest the length. Direct Information replies provide the most detailed information on what is required to obtain Dibao as well as specific the next steps for the prospective applicant, which may include contact information on relevant agencies. For example:

XX comrade, hello! First, thank you for your interest and support in our work on civil affairs. Eligibility for *Dibao* is based on household income. In your post, you did not

specify your household income, nor did you specify whether you are a rural or urban household. For example, this year, in our city, the rural *Dibao* level is 2400 yuan. If your household's annual income is less than 2400 yuan, you have initial eligibility to apply for *Dibao*. But, whether you can receive *Dibao* is based on a rigorous set of criteria, which I cannot detail line by line here. Please go to the *Hukou* (household registration) office of the township civil affairs department to obtain detailed information. You can also obtain information by phone, our phone number is ****287. In addition, since the district-level civil affairs agency only has ability to review *Dibao* applications, and since the township government take the lead in evaluation of *Dibao* eligibility, you can give your detailed information to the township office, who we believe will take your detailed information and provide preliminary advice on whether you are eligible to receive *Dibao*.

Table 4.2 shows the number and percent of responses for each of the content categories for the control and treatment conditions. For complaints that threaten collective action, there is the highest proportion of responses in the Direct Information category and the lowest proportion of responses in the Deferral category.

Table 4.2: *Content of government responses by treatment group*

	No Response		Deferral		Referral		Direct Info	
Control	551	76.9%	33	4.6%	42	5.9%	91	12.7%
Threat of collective action	496	69.2%	36	5.0%	52	7.3%	133	18.6%

Figure 4.8 shows the difference in means of each category of responses between the treatment group and the control group.¹⁴ This difference in means represents the causal effect of the treatment

¹⁴The category of no response exists for each group, but is not shown here. Because the four differences in means are correlated with each other, a bootstrap procedure (of 1,000 iterations) is used to obtain the correct standard errors. In

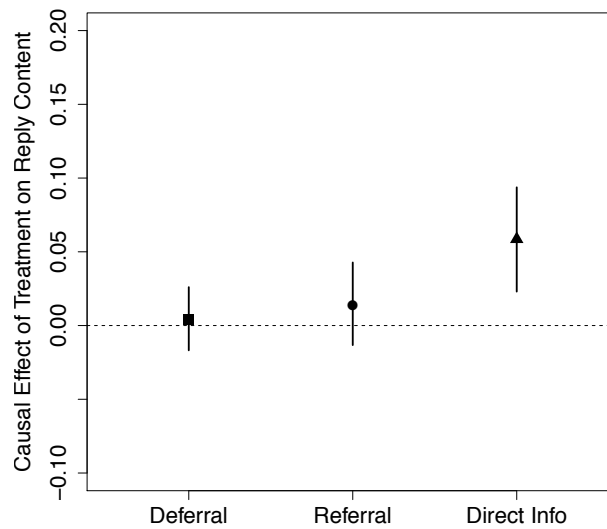


Figure 4.8: *Causal effect of threatening collective action on reply content*

on the content of the response. Threatening collective action has the causal effect of increasing Direct Information responses by 6 percentage points (95% confidence intervals of 2% to 9%). In other words, when complaints only describe the economic situation of the household, 13% of county government respond with Direct Information, but when the complaint also includes the threat of collective action, 19% of county governments respond with Direct Information. This represents a 50% increase in responses that provide the more helpful information.

In terms of speed of response, over 20 percent of responses were provided within one business day, and 70 percent of responses were provided within ten business days. No significant differences in the speed of response were found between treatment and control groups.

each round of bootstrap, prefectures are randomly drawn with replacement from universe of prefectures to make sure the treatment conditions are balanced. Counties belonging to the newly drawn prefectures constitute a new sample.

4.4 Summary

By conducting an experiment on a channel used for gathering information about the preferences and inclination of individuals, I show that there is higher responsiveness to the complaints of Dibao applicants who threaten to engage in collective action than to those who simply describe their economic hardship. This provides further evidence that Dibao is aimed at preempting disruption. In addition, this evidence shows how Dibao may be selectively targeted at the individual level when the regime has access to information about individual-level preferences. By exhibiting higher levels of responsiveness as well as providing more informative responses to those who threaten to engage in collective action, county governments are exhibiting preferential treatment to certain types of Dibao applicants, and privileging their chances of accessing the Dibao program.

By examining selective responsiveness at the individual level, this chapter highlights the essential role of information in facilitating selective welfare provision. An authoritarian regime's ability to preempt disruption depends on whether the regime can identify potential disrupters. One way of identifying these individuals is to look for information that individuals themselves volunteer. In the next chapters, we move from selectivity in responding to Dibao applicants to selectivity in the assignment of Dibao status.

Chapter 5

Dibao Recipients and Information

Extraction

This chapter demonstrates two points empirically. The first is that recipients of Dibao are those who are more likely to disrupt social order, and the second is that this is only the case when the regime can extract detailed information about individuals. Unlike prior chapters that focused on when and where benefits are distributed to Dibao households (Chapter 3) or different levels of responsiveness to Dibao applicants (Chapter 4), this chapter hones in on the characteristics of households that receive Dibao.

When information is not volunteered by individuals through complaints or other overt channels for information gathering, selective welfare provision depends on the ability to extract information about the private lives of individuals in order to uncover private preferences and target potential disrupters who have yet to take action. This chapter shows how block captains in some, but not all, neighborhoods obtain private information about members of their community and transmit this information to the residents' committee and other representatives of the regime.

5.1 Block Captains and Information Extraction

The previous chapter organized channels of information gathering along two dimensions—whether the information gathering process is overt or covert and whether the information obtained is structured or unstructured (see Figure 4.1). The previous chapter focused on information gathering through an overt but unstructured channel—complaints volunteered by individuals to the regime through government web forums. However, this type of information gathering is not effective in obtaining information about potential disrupters who do not publicly reveal their desire to protest or petition. This is the problem of insincerity and preference falsification, and overcoming it requires covert means of gathering information.

The repressive apparatus of authoritarian regimes often lead the charge in collecting covert information. Dimitrov (2014a) describes how in the USSR the KGB employed extensive networks into the Brezhnev era that focused on identifying dissenters who threatened the stability of the regime. However, if a regime is not only interested in threats to regime survival, but also interested in threats to social order, the coercive apparatus may be insufficient for identifying this much broader set of threats unless the repressive apparatus permeates all levels of society.¹ Threats to regime durability are rare, which means there are a relatively small number of individuals or organizations capable of challenging the regime, and the repressive apparatus can focus on identifying these unusual individuals and organizations. Threats to social order are common, which means a large number of individuals and organizations can engage in disruption. Identifying this much more common threat requires a large, grassroots organization of informants who are integrated into local communities.

At first blush, it might seem that such a grassroots organization is unnecessary for a regime with many tools of information extraction and control like China. However, identifying private

¹This would be the case for totalitarian regimes. Today, perhaps only North Korea would have such a pervasive, coercive apparatus.

preferences requires getting behind closed doors and into people's lives, which very few methods of information gathering can accomplish. An example of another method of information collection in China is the *dang'an* (档案), a personnel record, which includes information such as school performance, employment record, political history, as well as criminal and administrative records.² While the *dang'an* contains a wealth of personal information about individuals, it presents a static picture that may not always be up to date and that may be missing key pieces of information. Stories exist of residents' committees who distribute Dibao benefits to a resident even after he has been in prison for a year. Presumably this person's trial and imprisonment are in his *dang'an*, but for whatever reason, the residents' committee remained unaware of this development.³ Even when residents' committees work closely with local public security offices to share information, applicants for Dibao may not have a formal work unit, they may rent housing or live in housing not purchased under their name; in these cases, the *dang'an* may not accurately reflect their present situation. Finally, in some cases, the *dang'an* may not contain all of the pertinent information. Based on conversations with individuals who have worked in China's public security apparatus, extra-judicial forms of detention, such as internment in the *laojiao*, or gulag, system, psychiatric hospitals, or drug detention centers do not always appear in the *dang'an*.⁴ In contrast to the *dang'an*, informants can supply the most up to date information about what a resident is thinking or thinking of doing.

In urban China, one such grassroots organization that has engaged and continues to engage in information gathering for the regime is the network of block captains. However, as the following sections will show, the block captains of some, but not all, neighborhoods take on this role. In

²The local public security bureau and work unit have copies of the *dang'an*, and records are increasingly electronic.

³See <http://bit.ly/1zVbwRV> (Retrieved December 1, 2014).

⁴Individuals who could not be convicted through the legal system, are sometimes punished through the *laojiao* system. The *laojiao* system has been banned, but alternative forms of extra-judicial imprisonment, such as black jails, psychiatric institutions, and drug detention center have been converted to this purpose. (Information from conversations with individuals who have worked in China's public security and prosecution system.)

other words, simply having the title of block captain does not imply an ability to obtain private information. Obtaining private information requires the individual providing the information to, at some level, trust the person the information is being transmitted to. Thus, just because someone is supposed to gather information does not mean that s/he can gain the trust required to access private information. Block captains who are effective in obtaining private information are individuals who are regarded with some measure of trust and respect by the community. Here, it is important to emphasize that although block captains can be found in almost all Chinese neighborhoods, not all neighborhoods have block captains who are effectively engaged in gathering information for the regime.

5.1.1 Governance of Urban Neighborhoods

China's formal administrative structure is arranged from top to bottom: the central level, the provincial level, the prefectural (city) level, the county (district) level, and the township (street office) level. Neighborhoods, like their rural counterparts, villages, are below the township level, and thus fall outside of the formal administrative structure of the country. In large cities, urban neighborhoods typically encompass 2000 to 3000 households, and residents' committees, which administer these neighborhoods, are usually staffed with a half dozen to a dozen individuals, including a director, a vice director, and administrators focused on different policy areas such as family planning, Dibao, petitions, and public security. Figure 5.1 shows bulletin boards located outside of residents' committee offices containing information on residents' committee staff, including their name and area of responsibility.

According to the *People's Republic of China Organization Law of Urban Residents' Committees* (Residents' Committee Law), residents' committees are grassroots organizations that allow residents to self-manage, self-educate, and self-serve (居民委员会是居民自我管理、自我教



Figure 5.1: Bulletin boards outside of residents' committee office listing the names and position of residents' committee staff

育、自我服务的基层群众性自治组织).⁵ As part of this self governance, residents' committee members are supposed to be elected for three year terms by residents either through direct, general elections or through the vote of residents' representatives. For the most part, residents' committee members are elected by representatives, and if general elections are held, the candidates up for election have been vetted and pre-selected. As a result, many residents' committee members are also members of the neighborhood Communist Party Branch. For example, the director of the residents' committee is often the Party Secretary of the neighborhood *dangzhibu* or *dangzhongzhi*,⁶ Thus, although the residents' committee is outside of China's formal administrative structure, its key personnel fall within the formal organizational structure of the Communist Party, making the residents' committee a de facto component of the CCP regime. The key responsibilities of the residents' committee, according to the Residents' Committee Law, include publicizing and educating residents about national laws, regulations, and policies; managing the affairs and welfare of residents; mediating disputes; helping to maintain social order; administering public programs for

⁵See <http://bit.ly/1Ib41Kx> for original text of law (Retrieved January 5, 2015).

⁶For explanations of Party branch, *dangzhongzhi*, and *dangzhibu*, see Section 2.1.3.

residents, and communicating the opinions and suggestions of residents to the government.

Although maintaining social order and gathering information about the preferences of residents are explicit duties of the residents' committee, the responsibility of administering a large number of public programs is very time consuming. As a result, it is difficult for this small group of people to know the detailed situation of thousands of residents. For that, they have traditionally relied on block captains and are beginning to leverage network captains (this latter group is discussed in further detail in Section 5.1.3). Block captains are typically selected and then recruited by other block captains or residents' committee members. They are primarily women, often retired or laid off former SOE workers, who live in the neighborhood. There is no formal mechanism to compensate block captains for their work, but in some neighborhoods, block captains travel for gatherings and retreats; they may have a small budget for food at meetings, and they receive gifts around Chinese New Year.

Residents' committees and networks of block captains have their roots in the early Communist period, where they connected urban dwellers without workplace associations to the regime (Read 2012).⁷ Although these grassroots structures play important roles in governance—in delivering services, in mobilizing residents, in transmitting information from the regime downward, they have always played a role in surveillance—the collection and upward transmission of information. During the Cultural Revolution, residents' committees and block captains reported sent down youth who secretly returned to cities. In the 1980s and 1990s, faced with economic reform and urban transformations that generated layoffs as well as migrant workers, residents' committees were reformed and reemphasized as a way to increase the “infrastructural power of the Party-state” (Heberer and Göbel 2011, 5). Reform was led by the Ministry of Civil Affairs, the same bureaucracy that administers Dibao, with the goal of increasing the relevance of the residents' committee

⁷As Read (2012) has noted, residents' committees, which have a large range of functions, have their roots in the Communist period rather than earlier traditions of community governance such as the *baojia* (保甲) system of community law enforcement originating in the Song dynasty.

for urban residents (Benewick, Tong and Howell 2004; Bray 2006; Derleth and Koldyk 2004; Dutton, Lo and Wu 2008; Kojima and Kokubun 2005; White and Shang 2003; Wong and Poon 2005). While functions, training, and responsibilities were enhanced during reform, the surveillance role of residents' committees, and especially block captains, remained an enduring feature. For example, during the crackdown on Falun Gong in the late 1990s, block captains helped identify practitioners, and during the 2003 SARS epidemic, anecdotes of block captains taking temperatures and imposing quarantine abounded.⁸

5.1.2 Variation in Information Extraction

From November 2012 to March 2013, I conducted in-depth interviews with residents, residents' committee members, block captains, and government officials in Wuhan, Zhengzhou, Qingdao, and Zibo. Wuhan and Zhengzhou are provincial capitals in central China with different levels of Dibao coverage among the population (2.9% of the population received Dibao in Wuhan, 0.6% of the population did in Zhengzhou in 2008) but similar levels of GDP, GDP per capita, household income and expenditures, government fiscal revenues and expenditures, and level of unemployment. Similarly, Qingdao and Zibo are cities in Shandong Province, in Eastern China similar along these structural and demographic dimensions, but differing in the proportion of the population receiving Dibao.⁹

Armed with letters of introduction from local universities, I conducted cold visits to neighborhoods across these cities. I interviewed 54 residents in Hongshan, Jiangnan, Jiangnan districts in Wuhan; Shangjie, Zhongyuan, Xindong districts in Zhengzhou; Shibei, Xifang, Chengyang districts in Qingdao, and Zhangdian, Boshan districts in Zibo. Interviewees included urban residents, former cadres, laid off SOE workers, rural migrant workers living in urban neighborhoods,

⁸For example, see http://www.salon.com/2003/06/19/sars_2/.

⁹The proportion of the population receiving Dibao in Zibo was twice of that in Qingdao in 2008.

and Dibao recipients. In Lixia (Jinan), Boshan (Zibo), Shibe and Chengyang (Qingdao), Shangjie (Zhengzhou), as well as Hongshan and Jiangnan districts in Wuhan, I interviewed 20 neighborhood cadres, including residents' committee workers, directors, party secretaries and block captains. Finally, I interviewed 36 city and district government officials and academics in Beijing, Jinan, Qingdao, Zhengzhou, and Wuhan, including those from the local office of the executive, local civil affairs departments, human resources and social security departments, and finance departments.

Based on this fieldwork, I found that while almost all neighborhoods have block captains, the role played by block captains differed greatly. Superficially, the block captains I encountered all bore some passing resemblance. All were women, mostly in their 50s and 60s, who were no longer employed. The resemblance ends there. In some neighborhoods, block captains are well recognized and trusted members of the community who interacted frequently with residents. They energetically educated residents on state policies, organized residents for officially sanctioned activities, resolved conflicts among neighbors, and gathered information about residents. In these neighborhoods, when walking with the block captain around the neighborhood, I observed them greeting residents by name and asking after their families. Residents I spoke with knew their block captain and could point to the apartment where they live. When asked what role block captains in the neighborhood play, residents would say that they help identify and solve problems in the community.

In other neighborhoods, block captain is simply a title, and those with this title have little or no interaction with residents or the residents' committee. Block captains do not interact frequently or regularly with residents. Residents either have no idea whether there was a block captain or some vague notion that someone who went by that title existed. When asked about the role of the block captain, residents would say they were not sure. Other scholars have noted that block captains have a reputation for getting into other people's business (爱管事) (Read 2012). However, while

this reputation seemed accurate in some neighborhoods, in others it did not apply. All together, it was clear that in some neighborhoods, block captains were at the center of their community, well known and trusted, while in other neighborhoods they were not particularly noteworthy, and were not distinguishable from other residents.

Conversations with residents' committees revealed that differences in the integration and penetration of block captains coincide with differences in the residents' committee's knowledge of the neighborhood. In neighborhoods where block captains had deeply penetrated into their communities, residents' committees were well informed of the goings-on of the neighborhood. In these neighborhoods, there are often regular (weekly or biweekly) meetings between block captains and residents' committees, and in the meetings I observed, information about residents was shared and discussed. In these neighborhoods, the residents' committee not only had information related to official programs (e.g., the number of pregnant women for family planning, the number of veterans for veterans' services, the number of residents who have enrolled in public health insurance programs), residents' committees also had access to much more personal information—which neighbors were fighting over noise, which husbands and wives were experiencing familial discord, which families had children who had not done well in their standardized tests, which households were not disposing of trash properly, who had been posting handbills in inappropriate places, and the list goes on.

In contrast, in neighborhoods where block captains had not penetrated into their communities, residents' committees seemed to know very little about the neighborhood's residents. In these neighborhoods, often there were no meetings between the residents' committee and block captains, or a meeting once a year, and while these residents' committees could report numbers of residents participating in various public programs, they knew very little about the lives of local residents. In these neighborhoods, it seemed that what the residents' committee knew about residents came

mostly from residents who proactively approached the committee with questions about programs or access to services. In these neighborhoods, residents' committees seemed intent on doing the minimal amount of work in order to fulfill their obligations as residents' committee members. For example, some of these residents' committees would start work around 10AM, start the lunch break by 11:30AM, return by 1:30PM, and then close by 4:00PM. Often, neighborhoods where residents' committees knew little about residents were also those with trash overflowing into public spaces (see left panel of Figure 5.2). In one neighborhood, a resident had colonized the strip of



Figure 5.2: *Trash overflowing in a neighborhood (left panel); vegetables being grown in neighborhood public spaces (right panel)*

dirt between the side walk and the building entryway for planting vegetables (see right panel of Figure 5.2). When I asked this resident what the residents' committee thought of the blossoming garden, she replied that “they do not care and can not do anything about it” (“他们不管, 也管不上”).

5.1.3 Sources and Implications of Variation

My work does not delve into the question of why some neighborhoods have networks of block captains who can penetrate the private lives of residents while other neighborhoods have block captains who do not play a role in information gathering. The differences observed between residents' committees in neighborhoods with and without information extraction capabilities could be explained by differences in the effort and capabilities of residents' committee leaders; however, it is just as likely that residents' committees in neighborhoods with limited information have tried and failed to penetrate those communities. The works of other scholars suggest that this variation could be due to differences in the level of Party penetration among urban areas and the historical legacies of conflict (Koss 2015), or to the type of housing and stability of residency (Read 2012). The key to my analysis is that variation in the information gathering capacity of block captains exists.

The CCP seems aware of this variation in the quality of its urban grassroots organization. In recent years, a new grassroots structure, called network personnel or network captains (网格员, 网格长), have appeared in neighborhoods. Network captains are predominantly young women in their 20s or 30s, who are well educated with community college or even college degrees, who generally do not live in the neighborhood. They are regarded as professionals engaged in social work focused on identifying, communicating, and solving problems that residents face (了解民情, 转达民情, 解决民情). In other words, network captains are informants who are empowered to resolve the issues that they identify. During my fieldwork in 2012 and 2013, these network captains did not appear to have penetrated their local communities as residents were largely unaware of the identity of their network captain.

What is revealed by the characteristics of block captains who are able to effectively gather private information about residents in their community is that this type of societal penetration

may not be easy to replicate. This is because trust and respect are what enable block captains to penetrate their community and obtain private information. Simply designating more people as informants will not necessarily increase information gathering capabilities.

Finally, there is an inherent tension in the block captain's ability to obtain information on private preferences. On one hand, a block captain must enjoy a certain level of trust among residents in order to obtain information. On the other hand, a block captain who constantly transmits private information to the regime can be seen as betraying that trust. Block captains seem to balance this tension by engaging heavily in persuasion. They do not merely transmit private information to the residents' committee, but work to ameliorate the underlying sources of discontent. For example, if a block captain finds out that a resident is thinking of petitioning, she will let the residents' committee know, but will also talk to the resident, to persuade that person against petitioning. However, this balance can easily be lost, which in part explains why block captains often have reputations for being nosy busybodies.

5.2 Former Prisoners as Potential Disrupters

As an outside observer not integrated into the communities I am studying, I by definition have less access to information than neighborhoods administrators and insiders. In other words, if a residents' committee provided me with a list of individuals receiving Dibao, it would be more difficult for me to identify the potential disrupters among them than for the residents' committee. As a result, I use former prisoners as a proxy to identify whether recipients of Dibao include individuals who may pose a potential threat to social order.

Former prisoners (刑释解教人员) include those who have been imprisoned through the judicial system as well as those who have been detained through extra-judicial methods. The CCP sees this population as important to the continued social stability of the country, and has emphasized

the need for their rehabilitation and resettlement into mainstream society.¹⁰ On one hand, this emphasis on the rehabilitation of former convicts is not unique to China or even to non-democratic regimes. Governments all over the world are interested in preventing recidivism and ensuring that prisoners who may face discrimination upon release are able to pursue gainful employment within the bounds of the law. Redistributive efforts toward this population could be a sign of good governance that any country interested in crime prevention would engage in.

However, different from most democratic countries, former prisoners in China include those who have been penalized for engaging in activities such as protest and collective action. For example, in describing why it is important to focus on the population of former prisoners, officials emphasize the need to “rectify deviant influences and go back to the straight and narrow to return to society” (改邪归正回归社会), where the term deviant can refer to participation in religious organizations such as Falun Gong. In another example, prior to the World Expo in Shanghai, the Shanghai Bureau of Justice issued a “Four things to prevent” (四个不发生) order targeted at former prisoners. Of the four things to prevent, one echoes prevention tactics that could be found anywhere in the world—to prevent former prisoners from committing another crime (不发生刑释解教人员重新违法犯罪), but the other three relate to social order: to prevent former prisoners from participating in petition and mass incidents (不发生刑释解教人员参与上访、闹访和群体性事件), to prevent any major criminal cases involving former prisoners (不发生刑释解教人员重大恶性刑事案件), and to prevent former prisoners from disturbing social stability and participating in any large-scale collective events (不发生刑释解教人员参与影响社会稳定的重大群体性事件). In 2012, over 350,000 people were prosecuted through the judicial system for disturbing social order. The crimes belonging to this category include disturbing order in the work unit (扰乱单位秩序), disturbing order in public places (扰乱公共场所秩序), making trouble (寻

¹⁰See <http://bit.ly/1zVbz00>.

衅滋事), and hindering activity (阻碍执行职务).¹¹ This 350,000 number does not include many more who are imprisoned through extra-judicial means for engaging in dissent against the regime (Human Rights Watch 2009).¹²

Regardless of the exact crime for which former prisoners were incarcerated, the average former prisoner who receives Dibao is more likely than the average non-former prisoner who receives Dibao to be a potential threat to social order. One immediate question is if former prisoners are such a good proxy, why is it that not all neighborhoods automatically give Dibao to all former prisoners? In fact, some cities—for example those in Shandong, Jilin, Anhui province—have policies in place that guarantee Dibao to prisoners immediately upon release.¹³ Other localities have policies that do not guarantee Dibao to former prisoners, but provide resources to help former prisoners obtain Dibao.¹⁴ However, not all localities have this policy, in part because giving Dibao to former prisoners may increase contention among other residents who perceive this arrangement to be unfair, believing that former convicts are never deserving of benefits. Furthermore, even in localities with preferential Dibao policies toward former prisoners, not all neighborhoods know whether residents are former prisoners. If former prisoners are renting, living with extended families or friends, or otherwise living in a location without registering with the local public security agency, it would be difficult for the residents' committee to know who is living in the neighborhood at any given time without other methods of information extraction. Finally, while former prisoners may be a good proxy for those with the potential to engage in disruption, it is imperfect. A former prisoner may be less likely to disrupt social order than a laid off SOE worker or someone facing housing demolition.

¹¹ *China Statistical Yearbook* 2013

¹² For more recent reports, see <http://bit.ly/1BwUkx1>, <http://bit.ly/1ySAizL>, <http://bit.ly/1uHAYTk> (Retrieved December 6, 2014).

¹³ For examples, see <http://bit.ly/1zVbz00> (Retrieved November 15, 2013).

¹⁴ For just a few examples, see <http://bit.ly/1C4dQE2>, <http://bit.ly/1DkSggr>, <http://bit.ly/18T85iO>, <http://bit.ly/1D3MMWX>, <http://bit.ly/1xw7N5R> (Retrieved December 7, 2014).

Another question is why former prisoners are considered those who have the *potential* to threaten social order, since presumably they were incarcerated because they had already engaged in some form of disruptive behavior. This is because provision is selective based on behavior around the time benefits are distributed. As discussed in Chapter 1, potential disrupters are those who may engage in disruption in the period immediately following benefit distribution or further into the future, and the ill-behaved are those who engaged in disruption in the period immediately prior to benefit distribution. This distinction in time periods helps minimize the likelihood that benefits are perceived as a reward for disruptive behavior, and the most direct way to do this is to avoid distributing rewards immediately after an act of disruption. Former prisoners have received punishment for their crimes, and if they receive Dibao upon release from prison, it is unlikely that anyone would commit a crime in order to be imprisoned, then released, so that s/he could obtain Dibao benefits. However, the action of distributing benefits to former prisoners is publicly observable, and could reveal information that increases disruption among other residents.

Using former prisoners among Dibao recipients as a proxy for selective welfare provision targeted at potential disrupters, I expect that in neighborhoods with strong information extraction capabilities, Dibao recipients are more likely to be former prisoners, and in neighborhoods where information extraction capabilities are weak, Dibao recipients are less likely to be former prisoners.

5.3 Neighborhood Survey

I test the relationship between information extraction and selective welfare provision by conducting a survey of 100 neighborhoods in four cities in Eastern (Hangzhou), Central (Wuhan, Zhengzhou), and Western (Xian) China from March to June 2013 in collaboration with local universities. These cities exhibit different levels of economic development, income, inequality, as well as coverage of the Dibao program, and were selected to ensure that my finding could be generalized to different

regions of China. A total of 21 central urban districts in these four cities was selected, and three to five neighborhoods in each district were selected. Selected districts represent central, urban districts and include:

- Hangzhou: Shangcheng, Xihu, Gongshu, Jianggan
- Wuhan: Wuchang, Hanyang, Jiangan, Jiangnan, Hongshan, Qiaokou
- Zhengzhou: Zhongyuan, Erqi, Guancheng, Jinshui, Huiji
- Xian: Weiyang, Xincheng, Baqiao, Lianhu, Beilin, Yanta

Enumerators were college students from local universities who were also residents of the city where the research was being conducted. Enumerators were recommended by university professors for their experience in conducting local field research, and all were trained prior to the survey. Local enumerators were selected so that local dialect would not be a hindrance in conducting interviews. Responses were obtained from 97 of the 100 neighborhoods. Enumerators asked to speak with either the residents' committee party secretary, the residents' committee director, or the residents' committee member in charge of Dibao. If none of these people was available, enumerators would wait until one of them returned, or try again on another day. Enumerators had official letters of introduction from local universities explaining the goals of the research, and only three residents' committee opted not to participate. A total of 103 residents' committee members were surveyed. Interviews took place during the working hours of the residents' committee, typically between 9-11AM and 2-4PM from Monday to Friday.

While in the neighborhood, numerators interviewed residents who were in public areas. Approximately 380 residents were approached, and 283 residents were surveyed.¹⁵ Because of the timing of the visits, residents interviewed were primarily individuals without work such as retirees

¹⁵In one neighborhood, no residents were available for interview, in one neighborhood only one resident was available for interview, and in three neighborhoods, only two residents were available for interview. Excluding neighborhoods with less than three resident interviews does not change the results substantively.

and mothers with young children who were present during the day. These are the people who spend the most time in the neighborhood and are most likely to know about neighborhood programs and to interact with the residents' committee and block captains. Interviewed residents are not meant to be representative of any broader population. The goal of the survey of residents was simply to generate a measure of the information gathering capabilities of the neighborhood block captains, and a measure of the perception of the Dibao program. Because of the small number of questions, which did not deal with sensitive topics, the majority of residents were willing to be interviewed, and those who did not want to be interviewed typically declined because they were just passing through the public space and did not want to stop for a conversation.

Measuring Information Extraction Capacity: Because most neighborhoods have block captains but the role of the block captain varies between neighborhoods, I do not rely on the number of block captains or even the behaviors of block captains to determine their ability to extract information.¹⁶ Instead, I measure the information extraction capacity of block captains by examining outcomes of their interactions of residents. In neighborhoods where block captains are highly penetrated in the community and capable of obtaining private information, block captains should be well known by members of the community. In contrast, in neighborhoods where block captains do not have the capacity to extract private information, residents might have a vague sense that block captains exist but would not be familiar with their block captain. Thus, utilizing this outcome to capture information extraction, I code a neighborhood's information extraction capabilities by whether the residents in the neighborhood are aware that there are block captains in the neighborhood, and where some residents can recall the surname of their block captain.

¹⁶However, I did collect information from the residents' committee on the number of block captains and the frequency of their interaction with the residents' committee.

Former Prisoners on Dibao: In the survey, residents' committees were asked whether Dibao recipients included any with the following characteristics: disabled (残疾, 伤残, 残疾), widows, orphaned, or single-parents (单亲带孩子, 孤寡, 孤儿), and former prisoners (出狱, 归正).

Residents' committees were asked what type of crime was committed by the former prisoners who are receiving Dibao. However, residents' committees often tried to side step this question by saying they did not have this information or answering in vague terms. Among residents' committees that did share information on crimes committed, the vast majority said the crime was drug use. This could mean that former prisoners on Dibao are those convicted of petty crimes. However, this could also mean that former prisoners on Dibao are those who have been detained through extra-legal means because drug detention centers are increasingly used to incarcerate individuals who cannot be prosecuted through the legal system.¹⁷ It is much more common for individuals punished outside of the legal system to be those engaged in actions like petitioning, or participating in what the Chinese regime considers to be cults like Falun Gong. Given the ambiguity and lack of reliability of information on the crime committed, it is not included as key part of my analysis.

Structural and Demographic Factors Variation among neighborhoods in the number of former prisoners who receive Dibao could be explained by differences in the number of former prisoners in the local neighborhood population. Unfortunately, sources of data that are disaggregated to the neighborhood level are rare, and data on the distribution of former prisoners at the neighborhood level is unavailable.¹⁸ In the absence of data on the geographic distribution of former prisoners, I control for structural and demographic variables at the neighborhood level that may correspond to the distribution of former prisoners. Specifically, neighborhoods with lower incomes, lower

¹⁷Based on conversation with public security officials, and based on reports from human rights organizations (Human Rights Watch 2009).

¹⁸The only agency that would have this information would be the public security bureau, and even they might have not complete information.

housing costs, and larger migrant populations might be more likely to have former prisoners.

In the survey, I measure income and housing costs by the age of buildings in the neighborhood as reported by the residents' committee. I measure the scope of the migrant population by the proportion of residents with rural residential permits (*hukou*) as reported by the residents' committee and by whether for rent advertisements are visible in the public spaces of the neighborhood.

5.4 Results

I begin by outlining descriptive statistics. Then, I move to examine the relationship between characteristics of Dibao recipients and information extraction capabilities.

5.4.1 Descriptive Statistics

Table 5.1 shows the number of neighborhoods, residents' committee members, and residents surveyed by city, as well as percentages for each city. Roughly one quarter of neighborhoods were

Table 5.1: *Neighborhoods and respondents by city*

	Neighborhoods		RC members		Residents	
Hangzhou	18	18.6%	18	17.5%	51	18.0%
Wuhan	24	24.7%	27	26.2%	69	24.4%
Zhengzhou	25	25.8%	28	27.2%	73	25.8%
Xian	30	30.9%	30	29.1%	90	31.8%
Total	97		103		283	

located in Wuhan and Zhengzhou. Hangzhou represents a smaller proportion (18.6%) of neighborhoods surveyed, and Xian slightly more (30.9%). One residents' committee member was surveyed for each neighborhood in Hangzhou and Xian, while in a few neighborhoods in Wuhan and Zhengzhou more than one residents' committee member participated in the survey. Where possible, at least three residents were surveyed in each neighborhood.

Table 5.2 shows the number of neighborhoods exhibiting various characteristics important to the analysis, the total number of neighborhoods (N) for which information on that variable is available, and the percent of neighborhoods exhibiting these characteristics (number of neighborhoods / N). Table 5.2 shows that although almost all neighborhoods surveyed (96%) have block captains,

Table 5.2: *Descriptive statistics of neighborhoods surveyed*

	Number of neighborhoods	N	Percent of neighborhoods
Block captains	92	96	96%
High information extraction capacity	28	88	32%
Dibao recipients: disabled	56	78	72%
Dibao recipients: HH with children	19	78	24%
Dibao recipients: ex prisoners	12	78	15%
Apartments for rent	18	95	19%
Residents with rural residential permit	11	97	11%

only around 30% of neighborhoods have high information extraction capacity. The neighborhood is coded as having high information extraction capacity if at least one third of residents surveyed can name the surname of their block captain and if all residents surveyed say that there are block captains in the neighborhood.¹⁹ In other words, the majority of neighborhoods that have block captains have block captains who are not well known in their community. Block captains per neighborhood ranged from 10 to 130 and the number of households each block captain was responsible for ranged from 13 to 280. On average, neighborhoods had 40 block captains, so that each block captain was responsible for approximately 80 households.

Looking at the characteristics of Dibao recipients, Table 5.2 shows that most neighborhoods (73%) have Dibao recipients who are disabled. Approximately one quarter of neighborhoods

¹⁹Given the small number of residents surveyed in each neighborhood, I would not expect that all residents could name the surname of the block captain even if the block captain were incredibly well integrated in the community. There are many sources of uncertainty. For example, the respondent could be unable to name the surname of the block captain because s/he is not the person who usually interacts with the block captain in the household, or because the block captain is typically referred to by her term of address instead of her name.

(24%) have households with children²⁰ among Dibao recipients, and 15% of neighborhoods have former prisoners among Dibao recipients.

In terms of structural characteristics of the neighborhoods surveyed, the last two rows of Table 5.2 show that around 20% of neighborhoods have apartments for rent and around 10% of neighborhoods have residents with rural residential permits. Table 5.3 shows the distribution of neighborhoods by age. Nearly 35% of neighborhoods contain buildings constructed within the

Table 5.3: *Age of Neighborhoods Surveyed*

Neighborhood age	Number of neighborhoods	N	Percent of neighborhoods
Pre 1980s	18	83	21.7%
1980s	21	83	25.3%
1990s	15	83	18.1%
2000s	29	83	34.9%

past 10-15 years (in the 2000s), less than 20% contain buildings constructed in the 1990s, and nearly 50% of neighborhoods were built in the 1980s or before.²¹

5.4.2 Dibao Recipients and Information Extraction

I find that in neighborhoods where the regime has high information extraction capabilities, Dibao recipients are more likely to be former prisoners and less likely to be disabled. Figure 5.3 shows the estimated probability of former prisoners (left panel) and disabled (right panel) among Dibao recipients with high information extraction capabilities (solid line to the left), with low information extraction capabilities (solid line in the middle), and the first difference in the probability of having former prisoners among Dibao recipients between neighborhoods with high and low levels

²⁰The terminology “households with children” is used to denote single parent households with children, or households with orphans.

²¹Two of the oldest neighborhoods surveyed date back to the 1940s, one in Wuhan and one in Hangzhou.

of information extraction capacity (dashed line to the right).²²

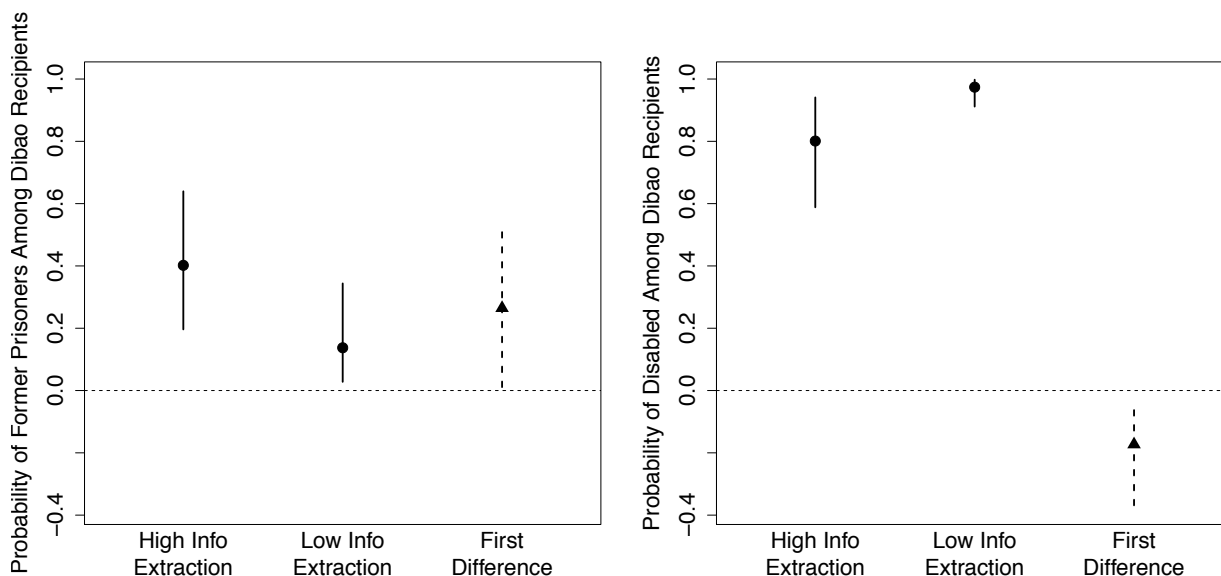


Figure 5.3: Probability of former prisoners among Dibao recipients (left panel), and probability of disabled among Dibao recipients (right panel); 90% confidence intervals are shown.

The left panel of Figure 5.3 shows that the probability that Dibao recipients include former prisoners is 43% (90% CI of 20% to 64%) in neighborhoods where block captains penetrate their local communities and are able to extract private information about residents. In other words, almost half of neighborhoods where residents know their block captains give Dibao to former prisoners. In contrast, in neighborhoods with low information extraction capacity, the probability that Dibao recipients include former prisoners is only 14% (90% CI of 3% to 34%). This means only one in seven neighborhoods where residents do not know their block captains give Dibao to former prisoners. When comparing these probabilities, neighborhoods with high information extraction capacity are 23% (90% CI of 1% to 48%) more likely to have former prisoners among Dibao recipients than neighborhoods with low information extraction capabilities.

²²These predicted values are based on logistic regression of whether former prisoners are among Dibao recipients on the level of information extraction in the neighborhood while controlling for income and other structure factors. This figure is based on models (2) and (5) of Table A.6 in Appendix A.3 with all other variables held at their mean.

The right panel of Figure 5.3 examines the probability that Dibao recipients include the disabled. Among neighborhoods with high information extraction capabilities, the probability that Dibao recipients include the disabled is 80% (90% CI of 57% to 94%). Among neighborhoods with low information extraction capabilities, the probability that Dibao recipients include the disabled is 97% (90% CI of 91% to 100%). When comparing between neighborhoods, those with high information extraction capabilities are 17% (90% CI of 4% to 39%) less likely to have disabled among Dibao recipients than neighborhoods with low information extraction capabilities. What is important to note here is that in most neighborhoods, regardless of the role of block captains, it is very likely that the disabled number among Dibao recipients. Giving Dibao to those who are disabled and unable to work generates the least amount of contention among residents. Since a goal of the Dibao program is to preempt disruption, working to minimize the amount of contention the program itself generates is understandable.

5.4.3 Endogeneity and Alternative Explanations

There are three potential concerns with the analysis presented above. First is the issue of endogeneity, that the presence of former prisoners in some neighborhood leads to greater vigilance on part of the residents' committee and block captains. Since vigilance requires not just recruiting block captains but having block captains who are able to penetrate their community, it would not be easy to increase vigilance. However, even if it is the case that places with more former prisoners become more vigilant and more effective in extracting information, it still supports the broader point that the regime is concerned about the potential for social disruption and that the ability to obtain private information is a critical part of mitigating these potential threats. In other words, while my fieldwork suggests that information extraction capacity is difficult to change, I am not arguing that information extraction capacity *causes* selective welfare provision, but simply that

selective welfare provision is not possible without access to information about private preferences.

A second concern is that these empirical patterns simply reflect the underlying distribution of prisoners and disabled in various neighborhoods. Some neighborhoods have more prisoners, so prisoners are more likely to receive Dibao, while other neighborhoods have more disabled, so the disabled are more likely to receive Dibao. Controlling for structural variables may lessen this concern, but more importantly, given the high probability of disabled receiving Dibao across all neighborhoods, it seems unlikely that there is a great deal of variation among the neighborhoods surveyed in terms of the size of the disabled population. Regarding the distribution of the prisoner population, many of the high and low information neighborhoods are located in close proximity and exhibit other similar characteristics. In addition, based on follow-up calls with residents' committees, those giving Dibao to former prisoners were not more likely than residents' committee where former prisoners were not among Dibao recipients to say that there was a sizable population of former prisoners in the neighborhood.

The final concern pertains to variation in residents' willingness to apply for Dibao. If former prisoners in low information extraction neighborhoods face greater stigma in applying for Dibao, that may also explain the lower probability for former prisoners receiving Dibao in these neighborhoods. There are two main reasons why this is unlikely to be the case. First, as discussed in Chapter 2, Dibao status is often viewed as something desirable because of the ad hoc benefits that can be access by some Dibao households. Given the desirability of Dibao, it is regarded not as something households are ashamed of receiving in the way that many means-tested programs are. Second, the identity of former prisoners is not necessarily open knowledge within a neighborhoods. Neighborhoods where this information is most likely to be open knowledge, where prisoners are most likely to experience stigma, are those where neighbors are familiar with one another; however, neighborhoods with high degree of interpersonal familiarity are not less likely

than neighborhoods without this degree of familiarity to give Dibao to former prisoners. When controlling for familiarity among neighbors, the pattern that former prisoners are more likely to be Dibao recipients in neighborhoods with higher information extraction capabilities remains strong.

5.5 Summary

By developing a novel measure of a neighborhood's ability to obtain private information about individuals, and by using the presence of former prisoners among Dibao recipients as a proxy for individuals who have the potential to disrupt social order, I show that Dibao is selectively targeted to former prisoners when neighborhoods have strong information extraction capabilities. Neighborhoods' information extraction capabilities depend on having block captains who are highly penetrated in their local community. Only by gaining the trust of their neighbors can the block captain go beyond publicly expressed preferences to surface private preferences. However, in transmitting this private information to the regime, block captains run the risk of losing that trust. It is not easy to obtain private information, especially information related to threats to social disruption, which are pervasive and persistent. In this light, perhaps it is not surprising that while almost all neighborhoods have block captains, only one third of neighborhoods have block captains who have strong information extraction capabilities.

Chapter 6

Dilemma of Redistribution

The prior chapters show how the Dibao program is aimed at preempting threats to social order by targeting benefits selectively to individuals who have the potential to be disruptive. This chapter examines the consequences of this strategy as well as the consequences of the broader effort to use redistribution to maintain social order.

Redistribution is used as a means of pacification, but redistribution inexorably generates contention. This is what I call the dilemma of redistribution. The benefits associated with welfare programs, social policies, and other redistributive efforts are always limited, and competition and contention will ensue over these scarce resources. When redistribution is used strategically, as a reward for protesting or as a prophylactic to prevent protest, it can generate even greater levels of contention by creating perverse incentives for disruptive behavior and by generating dissatisfaction over the perceived inequity of allocation. Reducing contention over strategic allocation of benefits involves obscuring the instrumental function of redistribution efforts, which can be time consuming and resource intensive.

6.1 Dibao and Contention

The evolution of the Dibao program is a prime example of the dilemma of redistribution. The Dibao program has always had a goal of improving social order, yet the program generates contention and is a source of protest.

The Dibao program emerged in the 1990s as a way of pacifying former workers who engaged in protest and collective action over the loss of benefits as work units were dissolved (Solinger 2008, 2010). Solinger (2015) notes that when Dibao first came into being in the midst of SOE reform, Dibao focused on inclusivity, providing benefits to laid off workers who were a primary source of contentious politics at the time.

However, even as Dibao helped mitigate contention among laid off workers, it became a source of contention. Beginning in the 2000s, contention over SOE reform lessened, but stories of corrupt and inequitable Dibao practices materialized. The phenomenon of *favor Dibao* or *relationship Dibao* (人情低保, 关系低保), where Dibao benefits were distributed by administrators to family and friends, generated widespread anger. Primarily a rural phenomenon, numerous news reports detailed examples of Dibao being awarded to friends and family of village cadres and administrators of the Dibao program, and described how these practices led to protest and petitioning by villagers.¹ A well known story of *favor Dibao* recounts the distribution of Dibao by a village cadre to the father of a vice Minister, in an effort to curry favor with elites in Beijing. This story was widely circulated in the media, leading to condemnation by top leaders including Premier Li Keqiang.² The Ministry of Civil Affairs has stated that it has a “zero tolerance” policy for *favor Dibao*,³ and the fight against perceptions of impropriety has led to hyper vigilance. Behavior such as decreasing the number of Dibao recipients and increasing visible standards for eligibility, e.g,

¹<http://www.chinesetoday.com/zh/article/899883>.

²See <http://bit.ly/1ze6jO9> (Retrieved January 10, 2015).

³See <http://bit.ly/1ze6ola> (Retrieved November 2, 2014).

prohibiting those who own pets from receiving Dibao, have become signals of correct implementation.

In addition to contention over the perceived fairness of distribution, Dibao has also generated incentives for individuals to protest and act collectively in order to obtain Dibao strategically. While the focus of this dissertation is on selective provision of Dibao to individuals who have not yet engaged in disruptive behavior, Dibao has been used as a means of buying off those who protest.

In Chen's (2012) study of collective petitioning, he finds that pacifying collective petitioners with Dibao simply yields more collective petitioning. In one locality, individuals who collectively petitioned were given Dibao as well as some other benefits. While these individuals momentarily ceased to petition, after they saw the results that could be obtained by acting collectively, they began to plan additional activities. In another county in Jiangxi, veterans collectively petitioned in 2006. In response, the county gave all of the veterans Dibao in the amount of 100 RMB per month. The next year, the veterans collectively petitioned again, and the county increased their Dibao benefits to 200 RMB per month with an automatic rate increase of 15% every year thereafter. Based on Chen's interviews with the veterans, this led the veterans to believe that without collectively petitioning, they would never obtain anything. In 2010, thousands of veterans organized to collectively protest in Baiyi Square in the capital of Jiangxi province, singing revolutionary "red" songs and asking for benefits. These veterans were brought back to their localities by local officials, who winned and dined them, and reassured them that they would receive benefits. Non-veterans were also inspired by the actions of the veterans and their results. After seeing a veteran from his village obtain benefits after petitioning, Mr. Xiong, who had worked for the government for six months in the 1960s, decided to petition for benefits owed for his service in the late 2000s. Mr. Xiong was not confident that he could get anything, but said that since he had time, he would give it a try.

Other stories describe how even when Dibao is provided as a response to protest to those who are eligible, as long as petitioning and protest are seen as a way to obtain material rewards, disruption continues. For example, in 2006, a Mr. Li fell into poverty because of illness in his family. In order to support his family and put his children through school, Mr. Li turned to petitioning as a way of securing their survival, and obtained Dibao for his ailing parents. After seeing the result of his actions, he continued to petition and used Dibao to support his children, even after they graduated from college. Chen (2012) describes how Mr. Li learned from his experience, and over time gained a better understanding of the system, of how to extract profit through disruption.

6.2 Hiding the Strategic Function of Dibao

Given the dilemma of redistribution and in particular the pitfalls of providing benefits in response to protest, selective welfare provision is an effort to achieve the goal of maintaining social order while minimizing the disruption that the redistributive process generates. However, just as rewarding disruption can generate incentives to disrupt, so rewarding threats of disruption or the potential to disrupt can also generate incentives to threaten disruption. That said, certain features of selective welfare provision obscure the connection between disruptive potential and redistribution. As described in Chapter 1, targeting potential disrupters instead of the ill-behaved, information extraction capabilities that put residents at an information disadvantage, and redistributing through a public social policy scheme all work together to hide the instrumental exchange of Dibao benefits for inaction. In this section, I examine the effectiveness of these measures.

6.2.1 Selective Welfare Provision Generating Contention

A feature of the Dibao program intended to alleviate contention over the fairness of distribution is publicly displaying the names of Dibao recipients. Figure 6.1 shows two bulletin boards, the left from a neighborhood in Wuhan and the right from a neighborhood in Zhengzhou, with the names of Dibao recipients and the amount of Dibao subsidy they receive each month. The displays

2012年郑州市最低生活保障金发放表

序号	户主姓名	家庭类型	保障金额(元)	实际发放金额(元)	序号	户主姓名	家庭类型	保障金额(元)	实际发放金额(元)
1	周桂芳	900	200	1100	24	杜文选	340		340
2	关丽珍	720	100	820	25	李东文	340		340
3	王军刚	1180	100	1280	26	张君清	480		480
4	侯新梅	870		870	27	杨巧梅	380		380
5	赵亚平	590	100	690	28	蒙中华	340		340
6	刘德南	680		680	29	张玉	340		340
7	史发月	380	100	480	30	李国彬	280		280
8	张秀林	240		240	31	刘玉清	380		380
9	刘长林	240		240	32	熊能天	340		340
10	刘玉安	240		240	33	熊杰	680	100	780
11	田纪彬	340	100	440	34	张秀珍	680		680
12	程利群	621		621	35	张耀林	580		580
13	张兰康	560		560	36	王慧松	530		530
14	曹桂芳	340		340	37	李立新	340		340
15	袁庆清	340		340	38	廖光华	480		480
16	赵淑芳	650		650	39	刘书安	621		621
17	马杰	340		340	40	李天根	240		240
18	王喜凤	240		240	41	李合荣	680		680

Figure 6.1: Bulletin boards listing households receiving Dibao

remind residents that those who receive Dibao fall within the program's eligibility requirements, and in doing so may alleviate the concerns of some residents. However, for families facing economic difficulties who are not currently receiving Dibao, the information displayed can increase contention, especially if benefits are being distributed not only because of the economic plight of households but the threat they pose to social order.

In interviews with residents' committees in neighborhoods with selective welfare provision, the challenge of dealing with residents who think they should be able to obtain Dibao was a recurrent theme. In a neighborhood in Wuhan's Jiangnan district, the woman in charge of Dibao said:

Dibao work is difficult. The people who want Dibao have low competence and will pound tables and chairs, they cry like babies who are being weaned from mother's

milk (低保不好做，办低保的人素质低，有时候拍桌子和板凳，就像断奶的孩子一样闹。)

A woman in charge of Dibao in Wuhan's Hongshan district said that residents who want Dibao but who are ineligible will repeatedly visit the residents' committee. As a result, she has to spend a great deal of time explaining to them why they cannot obtain the benefit. This sentiment was echoed by an 11 year administrator of the Dibao program who had the following to say:

People applying for Dibao are those from the bottom rungs of society; sometimes they are too calculating, so you have to have more patience to understand them and to enlighten them. (申请低保的人作为与社会底层的人，有时候想的多，所以要多一点耐心去了解、开导他们)

She suggested that they were thinking too much about how to strategically obtain Dibao and the reasons other households are able to obtain the benefit. She emphasized the importance of guiding these individuals to trust in the judgment of the government and Party. In Qingdao's Shibei and Xifang districts, residents' committees of neighborhoods where former prisoners were Dibao recipients gave numerous examples of complaints from residents that former criminals were being rewarded by the state while ordinary citizens were not. In one neighborhood in Xifang district, the residents' committee quoted residents as saying that Dibao recipients were hoodlums who did nothing but gamble and play mahjong. Likewise, a woman in charge of Dibao in a neighborhood in Zhengzhou's Zhongyuan district described how residents were unhappy with the program's recipients.

In contrast, in neighborhoods where Dibao recipients were the disabled, elderly with family, or families with young children, the main challenge described by residents' committees related to burdensome administrative procedures (审核过程繁复), in the application and subsequent report-

ing process. In many of these neighborhoods, Dibao administrators in the residents' committee would talk about the high work load involved in administering Dibao.

Neighborhood survey: The contrasting levels of discontent over Dibao provision revealed through interviews is echoed in the neighborhood survey. I find that residents' committees in neighborhoods where former prisoners are Dibao recipients are more likely to receive complaints about the Dibao program than residents' committees in neighborhoods where former prisoners are not Dibao recipients. This is not the case with other types of Dibao recipients. For example, there is no difference in the level of complaints residents' committees report receiving between neighborhoods where Dibao recipients include the disabled and neighborhoods where the disabled are not among those who receive Dibao.

In the neighborhood survey, residents' committees were asked an opened ended question about the main challenges they encounter in implementing the Dibao program. Four categories of challenges were created based on the answers received. These include Complaints from residents, Burdensome administrative process / high workload, Benefits too minimal, and Other. Each open ended response could be coded into multiple categories. Complaints from residents included residents' committee responses that talked about residents expressing dissatisfaction with Dibao, responses that talked about the difficulty of explaining to residents who could and could not obtain Dibao, and responses that talked about the difficulty of dealing with residents agitating to obtain Dibao. Burdensome administrative process / high workload included residents' committee responses that talked about the complexity of the Dibao application, review, and/or reporting process and responses that talked about the difficulty of verifying income. Benefits too minimal included responses that talked about the low Dibao line, the low levels of cash transfers afforded by the Dibao program, and the inability of the Dibao program to alleviate poverty and eliminate inequality. Finally, Other included responses such as those describing delayed disbursement of Dibao

funding or micro-management by higher levels. After the categories were generated, two members of the research team read through the open ended responses to code replies into these four categories. The inter-coder agreement for these responses was 93%.

Figure 6.2 compares the probability of the residents' committee reporting complaints from residents given the presence of Dibao recipients who are former prisoners and Dibao recipients who are disabled.⁴ The left panel of Figure 6.2 deals with whether former prisoners are among Dibao

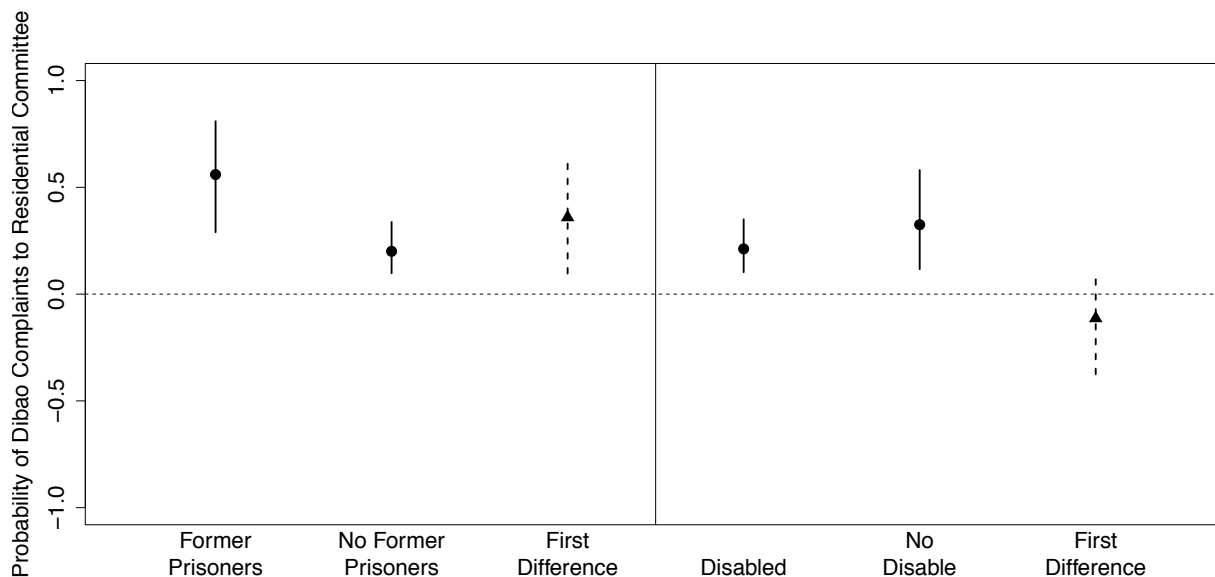


Figure 6.2: Probability of complaints about Dibao from residents; 90% confidence intervals are shown.

recipients in a neighborhood. When former prisoners are among Dibao recipients (the leftmost solid vertical line of the left panel), the probability that the residents' committee reports complaints from citizens as a major challenge to the Dibao program is 55% (95% confidence interval of 23% to 84%). When former prisoners are not among Dibao recipients, the probability of complaints being a major challenge for the residents' committee is much lower at 20% (95% confidence interval

⁴Based on logistic regression of whether resident complaints about the Dibao program is a major challenge for residents' committee on the presence of former prisoners and the disabled among Dibao resident while controlling for income and other structure factors. For coefficient estimates see model (3) of Table A.7 in Appendix A.4.

of 8% to 39%). The difference in the probability that complaints are a major challenge between neighborhoods that do and do not have former prisoners among Dibao recipients is 35% (95% confidence intervals of 3% to 64%)—this difference is shown by the dashed line in the left panel of Figure 6.2. In other words, the probability of complaints being a major challenge to the residents' committee is higher among neighborhoods where Dibao recipients are former prisoners than in neighborhoods where former prisoners are not among Dibao recipients.

In contrast, we do not see a difference in the probability of complaints between neighborhoods where Dibao recipients do and do not include the disabled. In the right panel of Figure 6.2, the left-most solid vertical line shows that the probability the residents' committee reports complaints from citizens as a major challenge to the Dibao program when Dibao recipients include the disabled is 21% (95% confidence intervals of 9% to 40%). The middle vertical line of the right panels shows that this probability when the disabled are not among Dibao recipients is 32% (95% confidence intervals 9% to 66%). The difference in the probability of complaints between neighborhoods where the disabled are among recipients and where they are not among Dibao recipients is -11% (95% confidence interval of -41% to 14%). In other words, there is no statistically significant difference in the probability of complaints between neighborhoods with and without disabled Dibao recipients.

State Institutions: One important observation is that although levels of complaints are higher for neighborhoods engaged in selective welfare provision, this discontent is being expressed through the residents' committee. In other words, discontent is being funneled through government institutions. I do not have a measure of the actual level of disruption between neighborhoods that do and do not engage in selective welfare provision. However, based on conversations with residents' committees in both types of neighborhoods, I was not able to discern any particular differences over actual levels of protest and collective action.

6.2.2 Pacifying Contention

There are two types of residents who express discontent over the distribution of Dibao benefits in neighborhoods where selective welfare provision takes place: residents who think they should be able to obtain Dibao, and residents who think the distribution of Dibao is unfair but who are not looking to obtain Dibao for themselves. In order to rebuff demands and mitigate contention, the residents' committee needs to show those who demand Dibao why they are not eligible and show both types of complainers why those who are receiving Dibao are deserving. Since selective welfare provision entails the provision of Dibao according to publicly stated eligibility criteria *and* the unstated criteria of threatening social order, residents' committee must be able to persuade households that meet the first but not second criteria that their ineligibility for Dibao is only due to their inability to meet the publicly stated criteria. Complex eligibility rules of the Dibao program, the information extraction capabilities of neighborhoods that engage in selective welfare provision, and distributing Dibao only to potential disrupters together help residents' committees pacify complaints.

There are numerous rules related to the determination of eligibility for Dibao, and they change over time. For example, in 2013, Henan province issued "Opinions on Further Improving Urban and Rural Minimum Livelihood Guarantee Scheme" (关于进一步做好城乡居民最低生活保障工作的意见) (Opinion) to elaborate on Dibao's eligibility requirements for the province. The Opinion states that households are eligible for Dibao if family members living together have combined disposable income below the Dibao line during a stipulated time period, and if the household's assets are in accordance with local provisions. The Opinion defines disposal income to include wages, profit from business and sales transactions, income from assets, and any other value transfers. Assets include all fixed and variable assets of all family members including cash, savings, securities, collateral, vehicles, boats, housing, debt owned, and other assets. The Opinion

explicitly states that any family owning more than two residences are automatically excluded.⁵ In terms of who constitutes family members, in Zhengzhou, the capital of Henan province, the Zhengzhou Civil Affairs Department says this can include any combination of spouses, parents, children, paternal grandparents, maternal grandparents, as well as other individuals designated by the civil affairs agency.⁶ There are numerous other directives and policies related to Dibao in the city of Zhengzhou alone, but even this partial illustration shows that rules can be ad hoc, e.g., those with more than two residences are automatically ineligible even if they fulfill the income and asset criteria, and that rules can provide latitude for interpretation, e.g., what constitutes value transfers.

Given the complexity of rules and the complexity of individual circumstances, especially those of potential Dibao applicants who are informally employed, income can be difficult to fully ascertain and can be characterized in different ways. In other words, for two households with identical economic situations, the residents' committee can turn down the application while citing official policies or help the applicant successfully obtain Dibao while conforming to policies. To illustrate this, I use a hypothetical example, which combines facts from a number of interviews. Suppose there is a family of three—a husband, a wife, and a child—who sees that their household income falls below the Dibao line and approaches the residents' committee about obtaining Dibao. This family does not pose any threat to social order. A neighborhood engaged in selective welfare provision can rebuff this applicant in a variety of ways. The residents' committee might point to their ownership of assets, from mobile phones to televisions, as evidence that their income must be higher than the Dibao line, and turn down the application. The residents' committee might point to the extensive documentation and official chops required to verify income, but not provide any assistance in completing these documents. If either adult in the household is informally employed, it may not be possible to obtain the documentation required without assistance from the residents'

⁵For additional details see <http://bit.ly/18LSkKt> (Retrieved November 30, 2014).

⁶See <http://bit.ly/1Cu8Nzq> (Retrieved November 30, 2014).

committee, and the application is rejected. If somehow the family is able to painstakingly obtain the required chops and documents, its application can still be turned down if its income varies by month, sometimes falling much below the Dibao line and other times above. Now, let's say this hypothetical family has no assets, has collected all the required documentation, and whose monthly income is always below the Dibao line, its application can still be turned down if it obtains financial assistance from extended family members. In other words, an extremely impoverished family receives help from relatives in order to get by, but this familial assistance is a value transfer that puts its monthly "income" over the Dibao threshold, and the application is refused.

Now, let's change the example very slightly so that this family of three is a potential threat to social order. In this slightly altered example, the economic circumstances of the family remain exactly the same. If the family has expensive assets or assistance from extended family that shift its income above the Dibao line, the residents' committee might tell the family to move the offending assets somewhere else and stop the transfer of outside assets during the application review period. The residents' committee can provide assistance in obtaining official chops and making sure all of the required documentation is in order. If the family is engaged in informal employment, the residents' committee, which assesses its income, can smooth fluctuations so monthly averages do not exceed the Dibao line.

While complex eligibility rules help residents' committees turn away prospective applicants, the information extraction capabilities of neighborhoods and the provision of Dibao to households who have yet to engage in disruption help the residents' committee demonstrate how current Dibao recipients meet the eligibility criteria. Residents' committees share with those who complain the extensive documentation related to current recipients. They tell stories about the financial difficulty faced by Dibao recipients, and contrast their plight to households not receiving Dibao. For example, let's say a resident comes to complain that the Dibao recipients in the neighborhood are

good-for-nothing hooligans who are able-bodied, and should find jobs rather than rely on Dibao; let's also say that one of the recipients in question is a former prisoner who receives Dibao because he is in financial straights but also because he is thinking of petitioning. The residents' committee might tell the complainer stories of how the recipient was imprisoned because of bad luck, how the recipient suffered greatly while in prison, how the recipient faces discrimination as an ex-convict, how the recipient is unable to find employment because prison interrupted his education, and how he is trying to gain new skills so he can find a job. This information is likely all true, but a residents' committee that has information extraction capabilities can make a compelling case for differences in deservingness, and unless the complainer also has access to detailed information about relative circumstances of residents in the neighborhood, it is difficult for those complaining to know that selective provision is happening.

The complexity of Dibao's eligibility rules combined with the ambiguity of individual circumstances give residents' committees flexibility in selecting and deflecting applicants while adhering strictly to policy as long as residents are at an information disadvantage. If this is not the case, it would be much easier for complainers to see that being poor may not be a sufficient condition to receive Dibao. For example, if those demanding Dibao are fully informed about the in's and out's of Dibao policy as well as the detailed situation of families receiving Dibao relative to their own financial situation, it would be much harder for the residents' committee to persuade them that they are not eligible for purely economic reasons. In other words, only when residents have less information than the residents' committee can the regime hope to hide the strategic function of Dibao provision and convince dissatisfied residents that the decisions behind Dibao distribution are based solely on economic circumstances. This dynamic resembles game theory models of cheap-talk persuasion, where if the receiver (resident) has an information disadvantage, the sender (residents' committee) can always to a some extent engage in effective persuasion. If the receiver

knows all of the information, deception can never be effective (Crawford and Sobel 1982).

While most residents' committees seemed capable of handling resident complaints, dealing with complaints is time consuming and resource intensive. To avoid escalation, residents' committee members have to take time to deal with those who come to complain. In one case in Qingdao, in order to persuade a resident that he was not eligible for Dibao, members of the residents' committee and block captains visited the man every day, up to three times a day for a week. Though less extreme than this example, residents' committee members often talk about making follow-up visits to the homes of those who are unhappy about Dibao in order to placate them.

Interviews with residents' committees also revealed some failures, where discontent over Dibao provision escalated into disruption and violence. The party secretary of a neighborhood in Wuhan's Jiangnan district described a resident who threatened to commit suicide by jumping off his building over the unfairness of not being able to obtain Dibao while others did. This individual approached the residents' committee repeatedly, and the residents' committee could not convince him that he was ineligible. In the end, he threatened suicide. In another example from Zhengzhou, residents angry over the allocation of Dibao moved beyond threats to action. Several residents banded together to block the entryway into the residents' committee, and threatened to physically harm the families of residents' committee members living in the neighborhood. At the time of my fieldwork, public security officials had stepped in, but the situation had not been resolved.

In addition to placating residents who complain about the fairness of distribution, residents' committees also engage in more general forms of propaganda in neighborhoods with selective welfare provision. Propaganda can take the form of advertisements and posters about the Dibao program and its success in bulletin boards around the neighborhood. Propaganda can also take the form of meetings, called "Dibao Policy Propaganda Meetings" (低保政策宣传会) that publicize Dibao policies, the number of Dibao households in the neighborhood, and the importance of Dibao

to social stability. Often these meetings have speakers from the Street Office, Civil Affairs bureaus, as well as the leaders of the residents' committee. This propaganda aims to improve the general goodwill of residents toward the Dibao program.

Neighborhood survey: Perhaps due to a combination of targeted efforts to pacify discontent and general efforts to improve perceptions of the Dibao program, even though residents' committees in neighborhoods engaged in selective welfare provision are more likely to report receiving resident complaints as a challenge, residents in neighborhoods with and without selective welfare provision have similar level of general satisfaction with the Dibao program.

There is a rhyme about the equitable distribution of Dibao that “those who deserve to get Dibao should get Dibao,” or in Chinese *yingbao jinbao* (应保尽保). When the Dibao program in a given place is described as *yingbao jinbao*, it is a sign that Dibao is implemented fairly. To determine general satisfaction with Dibao, residents surveyed were asked whether they felt that their neighborhood had achieved *yingbao jinbao*. These responses were aggregated for each neighborhoods so that if a majority of residents surveyed thought that a neighborhood had achieved *yingbao jinbao*, the neighborhood is denoted as one that is generally satisfied with Dibao, and if a majority of residents interviewed did not think the neighborhood had achieved *yingbao jinbao*, the neighborhood is denoted as one that is not satisfied with Dibao.

Figure 6.3 shows that general satisfaction with the Dibao program is high across neighborhoods, including those where Dibao recipients include former prisoners and neighborhoods without former prisoners as Dibao recipients. The dashed vertical line in the figure crossing zero shows that there no statistically significant difference in the level of satisfaction between neighborhoods with and without former prisoners as Dibao recipients. Perhaps because complaints come from a small subset of residents and because neighborhoods engage in propaganda activities to improve overall perceptions of the program, neighborhoods where the residents' committee reports com-

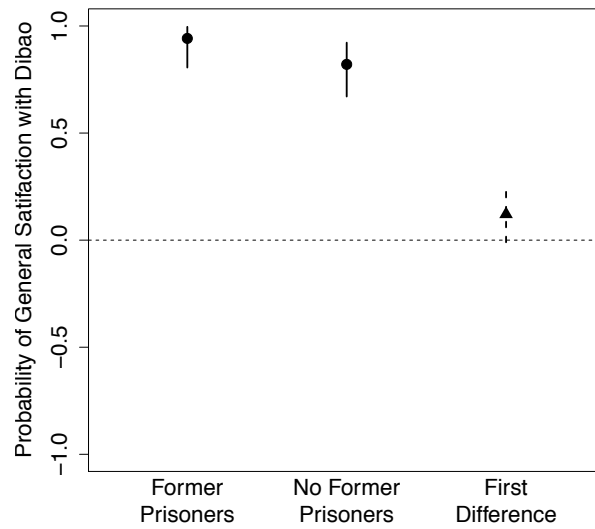


Figure 6.3: *Probability of general satisfaction with Dibao among residents; 90% confidence intervals.*

plaints being a major challenge of the Dibao program have similar levels of general satisfaction with the Dibao program as neighborhoods where complaints are less of a problem.

6.3 Discussion

The goal of selective welfare provision is to preempt threats to social order by targeting benefits to those who have the potential to engage in disruptive behavior. Although the dilemma of redistribution is unavoidable—i.e., redistribution comes hand in hand with contention, obscuring the instrumental function of redistribution helps decrease the chance that individuals threaten disruption in order to obtain benefits and decrease the chance that anger over the inequity of distribution intensifies into protest. Through complex rules of eligibility, strong information extraction capabilities, and by directing Dibao benefits to households who are potentially disruptive but also fulfill the program’s eligibility criteria, residents are at an information disadvantage relative to the

regime.

For now, residents' committees can, for the most part, convince residents that the strategic exchange of benefits for inertia is not taking place. For now, complaints are funneled through the residents' committee. However, the distribution of Dibao is a publicly observable action that can reveal information to residents, and dealing with discontent over the distribution of Dibao is a time and resource intensive task that places heavy burdens on the residents' committee. In the concluding chapter, I turn to the conditions for the longevity of selective welfare provision and its future prospects.

Chapter 7

Conclusion

This dissertation began with the puzzle of why two nearby neighborhoods, Golden Beach Road and Lagoon Harbor, seemed to be using different criteria in the selection of beneficiaries for the Dibao program. This variation can be explained by selective welfare provision—the selective provision of benefits to preempt threats of social disruption. Chapter 3 shows how benefits are distributed before sensitive time periods when the threat of disruption is perceived to be high and in places where the threat of disruption is believed to be greater in order to decrease incentives to engage in protest and collective action. Chapter 4 demonstrates how applicants are much more likely to receive government responses to their requests for Dibao if their complaint includes the threat of collective action. Chapter 5 shows that some neighborhoods provide Dibao to those who not only face economic hardship but have greater potential to disrupt social order.

These data show how information plays a critical role in enabling selective welfare provision. In the absence of specific information, the distribution of ad hoc benefits described in Chapter 3 is based on heuristics. In Chapters 4 and 5, individual level information obtained through different channels—complaints and grassroots informants—allow the regime to identify individuals who have the potential to be disruptive.

Selective welfare provision is a phenomenon that can be seen at all levels of government—Chapter 2 describes the goals of the national policy in maintaining social stability. Chapter 3 provides evidence of selective welfare provision at the city level. In Chapter 4, the phenomenon is at play at the county (district) level, and in Chapter 5 at the grassroots level of the neighborhood.

7.1 Beyond China

Selective welfare provision changes our previous understandings of the role of social policies and welfare in authoritarian regimes by expanding the objective of provision beyond maintaining regime survival to preventing social disruption. Selective welfare provision is motivated by the desire of elites to maintain their social, economic, and political advantages. While social disruption can escalate into threats that put the durability of the regime at risk, the types of actions—individual petitioning, small scale collective action, geographically localized protest over economic grievances—that selective welfare provision aims to preempt do not directly threaten the stability of the regime. Said another way, the goal of maintaining social order is broader than regime survival—a regime can hold on to power even if there is social disorder, but it would be difficult for a regime facing constant internal unrest and turmoil to pursue goals such as economic development.

The fear of disruption extends beyond authoritarian regimes to transitional systems and even democracies. Recent events in the U.S., from Occupy to Ferguson, clearly reveal the interest political leaders have in enforcing social order and mitigating disruption. In Occupy Wall Street, Mayor Bloomberg explained his 1AM eviction of protesters from Zucotti Park by saying “This action was taken at this time of day to reduce the risk of confrontation in the park, and to minimize disruption to the surrounding neighborhood” and the eviction was prompted by concern that “the occupation was coming to pose a health and fire safety hazard to the protestors and to the surrounding com-

munity.”¹ In Ferguson, Missouri, tactics from curfew to the deployment of thousands of national guard troops were used in response to violence and disruption in the aftermath of the Michael Brown shooting.

Likewise, examples of rewards being distributed preemptively to ward off disruption have been described in many different places and contexts. Gulf states have been described as “co-opting potential opposition leaders with wealth, jobs, and high-status positions” (Byman and Green 1999). In Cote d’Ivoire, President Houphouet-Boigny bolstered his regime by “buying-off potential competitors” (Le Billon 2003). Congo’s relative poverty is said to have made it easy for Mobutu to “buy off potential challengers” (Acemoglu, Verdier and Robinson 2004). In the Javanese sultanate, courtiers were bought off with favors, and some argue that Sukarno did the same in his “Guided Democracy” (Crouch 1979). After coming to power in 1969, Qaddafi used gains from nationalizing oil revenues, “buying off powerful tribal chiefs who might otherwise have been a threat to his rule” (Ross 2011).

In addition to awarding benefits to elites, there are also examples of preemptive distribution of rewards to the masses. President Houphouet-Boigny redistributed resources from the Christian, urbanized south to the Muslim north (Le Billon 2003). Huntington theorized that land reform could preempt peasant support for revolution (Huntington 1968). At the end of World War II, business elites in the Philippines bought off landless peasants through patronage ties (Scott 1977). Land reform in Peru after the 1968 coup and in El Salvador after the 1979 coup was intended to preempt popular support for rural insurgencies (Mason 1998).

In describing strategies for deregulation, Tullock (1978) suggests the process could proceed with less opposition if monopolies were bought off rather than made to suffer losses. Brown and Paul (1999) attribute the success of a 1996 tax increase to fund new stadiums for the Cincinnati Bengals and Reds in part to distribution of benefits to teachers unions and religious groups to

¹From <http://on.nyc.gov/1BoFNna> (Retrieved January 28, 2015).

prevent their opposition.

However, although these examples use words such as preempt, prevent, potential opponents, and potential challengers, they do not always make clear distinctions between who constitutes a supporter, a potential opponent, and an actual opponent. The terms opponent and potential opponent are used interchangeably, and sometime buying support is equated with buying off opposition. Just as differentiating among supporters, swing voters, and opponents helps improve our understanding of the dynamics and outcomes of electoral competition, clearly distinguishing among the well-behaved, potential disrupters, and the ill-behaved helps us to better understand redistributive choices and political outcomes in contexts without electoral competition.

Redistributing to different populations has different costs and benefits. The well-behaved may be easy to identify, and targeting benefits to everyone who is well-behaved could create incentives for potential disrupters and the ill-behaved to become well-behaved, but distributing to this group could entail very large transfers and may not be feasible if a country has a sizable population relative to its access to resources. Targeting transfers to the ill-behaved results in the dilemma of redistribution, creating incentives for others to engage in protest and collective action in order to obtain benefits. Redistributing to potential disrupters before they take action decreases their incentives to take these undesirable actions, and limits redistributive efforts to a narrower segment of society. However, it may be difficult to identify potential disrupters, and although the exchange of rewards for compliance is less obvious than rewarding the ill-behaved, distributing to the population of potential disrupters could also generate incentives for others to threaten disruption in order to obtain rewards.

7.2 Conditions for Selective Welfare Provision

Additional research is needed to determine when and where selective welfare provision is used outside of the Chinese context. However, this empirical study of the Dibao program provides some insights into when selective welfare provision is more likely to take place. First, selective welfare provision depends on sensitivity to social disruption. Not all countries are equally apprehensive of social disorder, and this variation may have less to do with regime type than with the structure of the economy. Perhaps authoritarian regimes with a relatively advanced, capitalist economies like China, Russia, or Singapore are most likely to utilize selective provision, but perhaps capitalist democracies like Mexico and Malaysia are more more likely to employ selective welfare provision than poor non-democratic regimes like Cambodia or Chad.

Second, whether selective welfare provision might be used as a strategy could depend on a regime's ability to identify potential disrupters and the availability of resources relative to the size of its population. As the experience of Dibao in China shows, identifying potential disrupters requires channels for obtaining information. Whether these are channels for capturing complaints or a grassroots surveillance network, this capacity can be difficult and expensive to develop. For regimes that are wealthy relative to the size of their population, for example the Gulf states, redistributing to the population at large may be preferred to devoting resources to identify those who are potentially disruptive. That said, given their level of wealth, perhaps these regimes would utilize selective welfare provision on top of broader redistributive efforts.

One important consideration in studying selective welfare provision is that it is not easy to identify because it is designed in part to conceal its instrumental function. Looking only at the description of policies is unlikely to reveal patterns of selectivity. On the surface, Dibao is a means-tested non-conditional cash transfer program whose explicit aim is to provide a minimum level of income for all. Only by examining its actual outcomes—who is receiving benefits, when, and where—is

the selectivity of distributive choices revealed. In China's Dibao program, selective welfare provision occurs through a public social policy scheme with complex rules for eligibility. All around the world there are social policy schemes with complex tests of deservedness—examples include Brazil, Mexico, India, and the U.S. which as of 2012 had 79 means tested welfare programs.² Are benefits of these programs distributed selectively to preempt threats to social order?

7.3 Future Prospects

The empirical results of this dissertation reveal the inherent tension in redistributive efforts that have instrumental goals. Whenever benefits are distributed to prevent an action the regime deems undesirable, it generates perverse incentives for individuals to engage in that action in order to obtain rewards. Given the dilemma of redistribution and the moral hazard and information problems associated with repression (Haber 2007; Wintrobe 1998), what strategies are left for authoritarian regime to maintain order and survival?

Selective welfare provision is one attempt to redistribute strategically that tries to ameliorate the dilemma of redistribution by hiding its instrumental goals. However, doing so requires a great deal of resources—to identify the right targets for benefits, to persuade and pacify those who are discontent over the distribution of benefits. Is this strategy effective in mitigating disruption? Is this strategy sustainable in the long run?

Additional research, both theoretical and empirical, is needed to fully answer these questions, but a factor that is critical in the continuation of selective welfare provision and to its success is information. Without access to private information, selective welfare provision is not possible. Our journey into neighborhoods shows how difficult it is to obtain this private information, but that may change dramatically with technological developments, which are already underway.

²See <http://herit.ag/1EKKON5> (Retrieved January 12, 2015).

Technologies that people all around the world are using on a daily basis—smartphones, email, social media, GPS services, applications tracking everything from calories consumed to gas stations visited—are generating huge amounts of detailed, individual-level information that is becoming cheaper to store and process. Although the free flow of information can empower citizens and dissidents, autocratic and democratic regimes alike are increasingly engaged in analyzing and using this information for strategic purposes. Just as companies use access to large-scale data as well as statistical and computational methods to monitor, predict and change the behavior of their customers, so regimes do the same for their subjects. State control over growing amounts of detailed, real-time, individual-level information has the capacity to put individuals at a huge information disadvantage, which in turn allows regimes to engage in actions such as selective welfare provision to protect their political, economic, and social advantages by buying inertia.

Appendices

Appendix A

Additional Tables and Figures

A.1 Additional Tables for Chapter 3

Table A.1: OLS regression of the number of ad hoc benefits in 2012 on the number of minority groups. Model (2) is used to estimate expected probability of ad hoc benefits found in the left panel of Figure 3.6

<i>Dependent variable</i>	Ad hoc benefits in 2012	
	(1)	(2)
(Intercept)	-10.127 (10.453)	-15.420 (11.1)
Number of non-Han minorities	0.400 (0.218)	0.581 (0.247)
Controls		
Fiscal Revenue		30.040 (25.45)
City Pop below Dibao Line		-0.001 (0)
Population over 65 years		-6.855 (63.36)
Reported Protests		-0.073 (0.161)

Table A.2: OLS regression of the number of ad hoc benefits in 2012 on the number of minority groups. Model (2) is used to estimate expected probability of ad hoc benefits found in the right panel of Figure 3.6

<i>Dependent variable</i>	Ad hoc benefits in 2012	
	(1)	(2)
(Intercept)	-5.234 (3.904)	-5.487 (4.408)
Number of non-Han minorities	0.140 (0.081)	0.226 (0.098)
Controls		
Fiscal Revenue		0.000 (0.000)
City Pop Below Dibao Line		-9.366 (10.110)
Population over 65 years		-28.720 (25.160)
Reported Protests		-0.118 (0.064)

Table A.3: OLS regression of the number of ad hoc benefits in 2012 on the number of minority groups. Model (2) is used to estimate expected probability of ad hoc benefits found in Figure 3.8

<i>Dependent variable</i>	Ad hoc benefits in 2012	
	(1)	(2)
(Intercept)	19.807 (3.838)	12.437 (7.429)
Population of Ethnic Group Prone to Protest	1.109 (0.556)	0.905 (0.594)
Controls		
Fiscal Revenue		-0.000 (0.000)
City Pop below Dibao Line		18.971 (27.676)
Population over 65 years		54.555 (62.183)
Reported Protests		0.151 (0.150)

A.2 Additional Tables for Chapter 4

Table A.4 shows the causal effect of collective action on government responses, including control variables and provincial dummies for the set of all counties (unconditional) and for the set of counties where posts were successfully posted (conditional).¹ Control variables include log population, the proportion of non-agricultural households, the proportion of permanent urban residents, average years of education, the unemployment rate, and the proportion of ethnic minorities for the county in 2010.

Table A.4: *The causal effect of treatment on government response*

<i>Dependent variable</i>	Government response (0 or 1)					
	Unconditional			Conditional		
	(1)	(2)	(3)	(4)	(5)	(6)
T1: collective action threat	0.077 (0.023)	0.075 (0.023)	0.074 (0.023)	0.101 (0.030)	0.101 (0.030)	0.102 (0.029)
Constant	0.232 (0.016)	0.233 (0.016)	0.092 (0.026)	0.320 (0.020)	0.321 (0.020)	0.176 (0.035)
Controls		YES	YES		YES	YES
Provincial dummies			YES			YES
Observations	2,869	2,869	2,869	2,103	2,103	2103

Columns 1 to 3 of Table A.4 show the results for all Chinese counties (unconditional models), where the coefficient estimates represent the causal effect of treatments on government response. In Column 1, government response is regressed on the treatment indicator. The model in Column 2 performs the same analysis with the addition of control variables, showing that the coefficient estimates are very stable. Finally, the model in column 3 includes provincial dummy variables in addition to control variables, and again the coefficient estimates remain stable.

¹Results are based on regression adjustment. Treatment dummies and demeaned covariates as well as their interactions with the treatment dummies are included in the regressions [CITE Lin2013]. Huber White robust standard errors are shown, though errors are virtually identical without using robust standard errors. Moreover, because treatment conditions are randomly assigned within each province (the variations of treatment are at the county level), standard errors clustered at the provincial level are qualitatively the same as those in Table A.4.

Columns 4 to 6 of Table A.4 show the results for Chinese counties where requests were successfully submitted to the government web forum (conditional models). Column 4 shows the regression of government response on the treatment, similar to the unconditional model in column 1. Column 5 shows the regression of government response on treatment variables and control variables and Column 6 includes provincial dummy variables in addition to treatment and control variables. As expected, the causal effects of the treatment increase in the conditional models, but remain very stable with the inclusion of control and provincial dummy variables. Together, the models in Table A.4 show that these results are robust whether the analysis is based on all counties or the subset of counties where posts were successfully made. Threats of collective action generate greater responsiveness from county governments.

Table A.5 shows the causal effect of threatening collective action on public responses, which are also robust to the inclusion of control variables and location dummies.

Table A.5: *The causal effect of treatment on publicly viewable response*

<i>Dependent variable</i>	Publicly viewable response (0 or 1)					
	Unconditional			Conditional		
	(1)	(2)	(3)	(4)	(5)	(6)
T1: collective action threat	0.079 (0.021)	0.079 (0.021)	0.078 (0.020)	0.106 (0.027)	0.107 (0.027)	0.108 (0.027)
Constant	0.153 (0.013)	0.154 (0.014)	0.046 (0.022)	0.212 (0.018)	0.211 (0.018)	0.097 (0.03)
Controls		YES	YES		YES	YES
Provincial dummies			YES			YES
Observations	2,869	2,869	2,869	2,103	2,103	2,103

A.3 Additional Tables for Chapter 5

Table A.6 shows the results of three model specifications predicting whether former prisoners are among Dibao households—models (1) to (3), and whether disabled are among Dibao households—models (4) to (6). Since both dependent variables are binary, logistic regression is used. Three

Table A.6: *Logistic regression of Dibao recipients*

<i>Dependent variable</i>	Dibao recipients: ex prisoners			Dibao recipients: disabled		
	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	-0.916 (0.592)	-1.834 (1.134)	1.157 (1.872)	-0.588 (0.558)	-2.507 (1.378)	-3.605 (1.982)
Information extraction	1.531 (0.884)	1.648 (0.942)	1.820 (1.03)	-1.564 (0.786)	-2.634 (1.011)	-2.780 (1.061)
<i>Control variables</i>						
Resident familiarity			-2.926 (1.472)			1.072 (1.371)
Neighborhood age		2.0×10 ⁻⁴ (1.3×10 ⁻⁴)	1.7×10 ⁻⁴ (1.3×10 ⁻⁴)		2.7×10 ⁻⁴ (1.3×10 ⁻⁴)	4.0×10 ⁻⁴ (1.3×10 ⁻⁴)
Apartments for rent		-0.434 (0.929)	-1.325 (1.101)		2.659 (1.225)	2.917 (1.274)
Rural hukou		0.502 (1.515)	1.552 (1.631)		-0.079 (1.518)	-0.413 (1.591)
City dummies	YES	YES	YES	YES	YES	YES
Observations	70	70	70	70	70	70

model specifications are included for each analysis. The first model specification, model (1) and model (4), include only the variable of information extraction, and city dummy variables. City dummy variables are included since cities have the authority over Dibao policy for their locality.

These two models show that information extraction capacity positively predicts the presence of former prisoners among Dibao recipients (result is statistically significant at the 10% level) while information extraction capacity negatively predicts the presence of the disabled among Dibao recipient (result is statistically significant at the 5% level). In model (2) and (5), control variables that proxy for income, including neighborhood age, rental apartments, and residents with rural residential permits, are included. These proxies for income control for the possibility that income influences the composition of Dibao recipients—for example that information extraction capabilities are higher in lower income neighborhoods, which have more former prisoners among residents. It is likely that the distribution of disabled person correlates with income, thus income proxies are included in both analyses. The result that information extraction positively predicts the presence of former prisoners and negatively predicts the presence of disabled among Dibao recipients is unchanged with the addition of income proxies. Finally, the third model specification, model (3) and model (6) include resident familiarity as an additional control. Based on qualitative analysis, neighborhoods where residents are familiar with each other are more vocal in their opinions about Dibao recipients. Indeed, resident familiarity negatively predicts the presence of former prisoners among Dibao recipients (result is significant at the 5% level), but the effect of state penetration on former prisoners and disabled among Dibao recipients remains unchanged in model (3) and model (6), respectively.

A.4 Additional Tables for Chapter 6

Table A.7 shows the results of a logistic regression where the dependent variable is whether or not complaints from residents is a major challenge in implementing the Dibao program. Across all three model specifications, when Dibao recipients include former prisoners, complaints are more likely to be reported. In other words, when former prisoners are recipients of Dibao, residential

committees are more likely to receive complaints from residents about the implementation of the Dibao program, but having the disabled as recipients of Dibao has no effect on complaints from residents. Model (1) includes the two explanatory variables, whether former prisoners are among

Table A.7: *Complaints about Dibao*

<i>Dependent variable</i>	Complaints about dibao		
	(1)	(2)	(3)
(Intercept)	-1.101 (0.521)	-0.638 (0.667)	-1.188 (1.03)
Former prisoners	1.896 (0.734)	1.719 (0.775)	1.486 (0.808)
Disabled	-0.633 (0.621)	-0.423 (0.708)	-0.703 (0.804)
Controls			YES
City Dummies		YES	YES
Observations	70	70	70

Dibao recipients and whether the disabled are among Dibao recipients. This model shows that when former prisoners are among Dibao recipients, the residential committee is more likely to report that complaints from residents pose a major challenge to the Dibao program (this result is statistically significant at the 1% level). Model (2) includes dummy variables for city fixed effects, and relationship between having former prisoners among Dibao recipients and the challenge of citizen complaints to the residential committee holds (statistically significant at the 5% level). Finally, Model (3) includes control variables—the age of the neighborhood, whether rental apartments are available in the neighborhood, and whether residents include those with rural residential permits,² and the effect of former prisoners among Dibao recipients on complaints received by the

²For additional discussion of control variables see Chapter 5.

residential committee remains positive (statistically significant at the 10% level).

In terms of general satisfaction with Dibao, Table A.8 shows that having former prisoners among Dibao recipients does not correspond to a decline in general satisfaction with the neighborhood's Dibao program. In other words, the neighborhood survey shows that general levels of

Table A.8: *General satisfaction with Dibao*

<i>Dependent variable</i>	<i>Generally satisfied</i>		
	(1)	(2)	(3)
(Intercept)	0.693 (0.261)	1.482 (0.784)	2.213 (1.229)
Ex prisoners	1.705 (1.077)	1.767 (1.147)	2.093 (1.278)
Controls			YES
City Dummies		YES	YES
Observations	70	70	70

satisfaction toward the Dibao program are similar between neighborhoods where Dibao recipients include former prisoners and neighborhoods that do not.

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